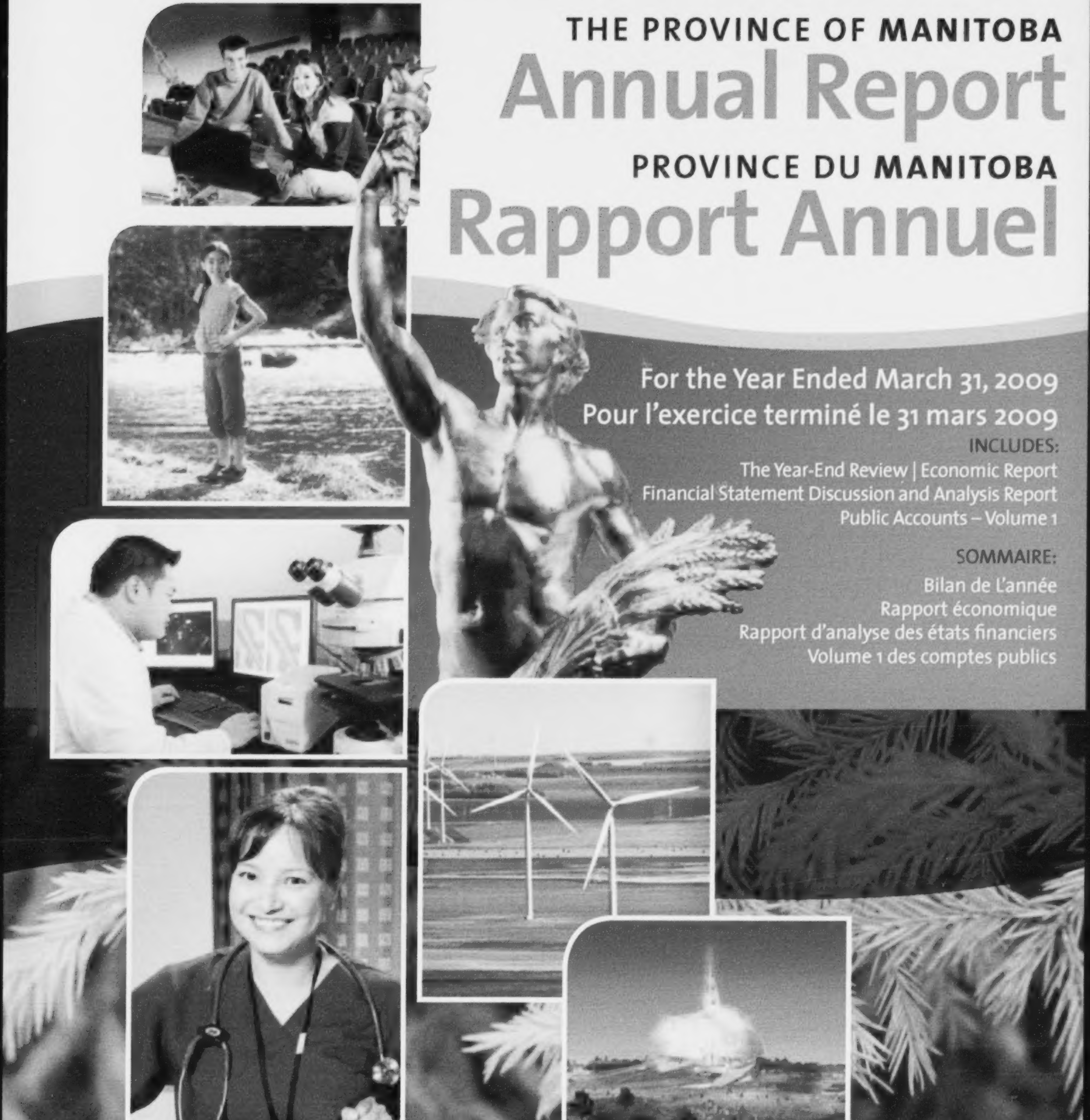

THE PROVINCE OF **MANITOBA**

Annual Report

PROVINCE DU **MANITOBA**

Rapport Annuel

For the Year Ended March 31, 2009
Pour l'exercice terminé le 31 mars 2009

INCLUDES:

The Year-End Review | Economic Report
Financial Statement Discussion and Analysis Report
Public Accounts – Volume 1

SOMMAIRE:

Bilan de L'année
Rapport économique
Rapport d'analyse des états financiers
Volume 1 des comptes publics

Manitoba

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

MINISTRE DES
FINANCES

Palais législatif
Winnipeg (Manitoba) CANADA
R3C 0V8

HIS HONOUR PHILIP LEE
Lieutenant-Governor of the Province of Manitoba

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of the Province of Manitoba for the year ended March 31, 2009. This document completes the government's accountability reporting for the year. The Report includes a review of the year's results relative to the government's budget. It also contains economic statistics and indicators of the financial health of the Province.

Included in this Annual Report is Volume 1 of the Public Accounts. The Public Accounts contain the summary financial statements of the government reporting entity and management's financial statement discussion and analysis report.

Section 4 of *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act* requires the Minister of Finance to report on compliance with the Act in the audited summary financial statements for each fiscal year. The Summary Financial Statements Calculation of Balance Under *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act* shows a positive average four year balance. The Government is therefore in compliance with the Act.

Honourable Greg Selinger
Minister of Finance

Office of the Minister of Finance
September, 2009

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

MINISTRE DES
FINANCES

Palais législatif
Winnipeg (Manitoba) CANADA
R3C 0V8

SON HONNEUR PHILIP LEE
Lieutenant-gouverneur de la province du Manitoba

Votre Honneur,

J'ai le privilège de vous présenter, à titre informatif, le rapport annuel de la province du Manitoba pour l'exercice qui s'est terminé le 31 mars 2009. Ce document complète le compte rendu des activités du gouvernement pour cet exercice. Le rapport comprend une récapitulation des résultats de l'exercice par rapport au budget du gouvernement. Il contient également des statistiques économiques et des indicateurs de la santé financière de la province.

Ce rapport annuel inclut le Volume 1 des comptes publics. Les comptes publics contiennent les états financiers sommaires de l'entité comptable du gouvernement, ainsi que les commentaires et analyses de la direction à ce sujet.

En vertu de l'article 4 de la *Loi sur l'équilibre budgétaire, la gestion financière et l'obligation de rendre compte aux contribuables*, le ministre des Finances est tenu de faire rapport sur le respect de la Loi dans les états financiers sommaires vérifiés de chaque exercice. D'après le calcul du bilan des états financiers sommaires, exécuté conformément à la *Loi sur l'équilibre budgétaire, la gestion financière et l'obligation de rendre compte aux contribuables*, le bilan moyen sur quatre ans est positif. Le gouvernement a donc respecté les dispositions de la Loi.

Monsieur Greg Selinger
Ministre des Finances

Cabinet du ministre des Finances
Septembre 2009

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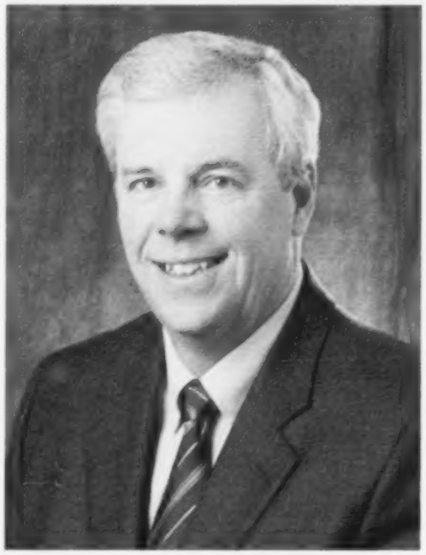
YEAR-END REVIEW

I am pleased to present the Province's Annual Report for the fiscal year ended March 31, 2009, that contains the financial statements for the year and reports of fiscal and economic performance.

Our summary financial statements show a net income of $470 million. We have met the test of Manitoba's balanced budget legislation by recording an average four year positive balance of $463 million.



These results reflect the Government's continuing effort to ensure fiscal responsibility and meet key financial commitments, while continuing to implement Summary Budgeting and Reporting, complying with Public Sector Accounting Board standards, and lowering business and personal taxes.

The annual report continues to improve the accountability and transparency of public sector bodies and, in the Financial Statement Discussion and Analysis section, reports progress on key long-term indicators established, as recommended practices, by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

I am pleased to be able to provide Manitobans with positive results and our Government will continue our efforts to achieve the objectives and results outlined in our Financial Management Strategy.

Respectfully submitted
Honourable Greg Selinger
Minister of Finance

BILAN DE L'ANNÉE

J'ai le plaisir de vous présenter le rapport annuel de la Province pour l'exercice financier qui s'est terminé le 31 mars 2009 et qui contient les états financiers pour l'exercice ainsi que les rapports sur les résultats financiers et économiques de la province.

Nos états financiers sommaires montrent des bénéfices nets de 470 millions de dollars. Nous avons satisfait aux exigences des dispositions législatives manitobaines sur l'équilibre budgétaire en enregistrant un solde positif moyen de 463 millions de dollars sur une période de quatre ans.

Ces résultats montrent que le gouvernement s'efforce continuellement de garantir la responsabilité financière et de tenir des engagements financiers clés, tout en continuant de produire des états récapitulatifs et des budgets sommaires, en se conformant aux normes du Conseil sur la comptabilité dans le secteur public (CCSP) et en réduisant l'impôt des particuliers et des entreprises.

Le rapport annuel continue d'améliorer la transparence et l'obligation redditionnelle des organismes du secteur privé et fait état, dans la partie réservée à l'analyse des états financiers, d'indiquer les progrès accomplis relativement aux indicateurs à long terme établis comme pratiques recommandées par le Conseil sur la comptabilité dans le secteur public de l'Institut Canadien des Comptables Agréés. Parmi les faits marquants, mentionnons :

Je suis heureux de pouvoir faire part aux Manitobains de résultats positifs, et notre gouvernement continuera ses efforts en vue d'atteindre les objectifs et les résultats soulignés dans sa Stratégie de gestion financière.

Le tout respectueusement soumis.
Monsieur Greg Selinger
Ministre des Finances

ECONOMIC REPORT / RAPPORT ÉCONOMIQUE

Manitoba's economy is one of the most diversified in Canada. This diversity is an ongoing source of strength and stability. Over the past ten years, Manitoba's real economic growth has been among the most stable among the provinces.

Strong growth in business investment combined with moderate increases in consumer and Government spending resulted in 2.4% growth in the Manitoba economy. The goods-producing industries led the Manitoba economy in 2008 with 2.8% growth with construction and agriculture leading the growth. The higher-valued Canadian dollar for most of the year continued to place competitive pressure on Manitoba businesses by making U.S. goods and services less expensive relative to domestically produced goods and services. The U.S. accounts for 69% of Manitoba's foreign exports. The goods-producing sector increased by 2.3% led by retail trade.

Manitoba's largest industry is manufacturing which accounts for 12% of provincial Gross Domestic Product (GDP). Relative to most other provinces Manitoba's service sector is large, a factor which contributes to the stability of the Manitoba economy. The major components of the service sector are health care, transportation, retail and wholesale trade, real estate, finance and insurance, and education. Service industries accounted for 72% of the Manitoba economy in 2008, significantly higher than the national average. The service sector accounted for 76% of Manitoba employment.

Gross Domestic Product

According to Statistics Canada, Manitoba's real GDP grew by 2.4% in 2008, down from the 3.3% growth recorded in 2007. Nominal GDP grew by 4.8% to $50.9 billion.

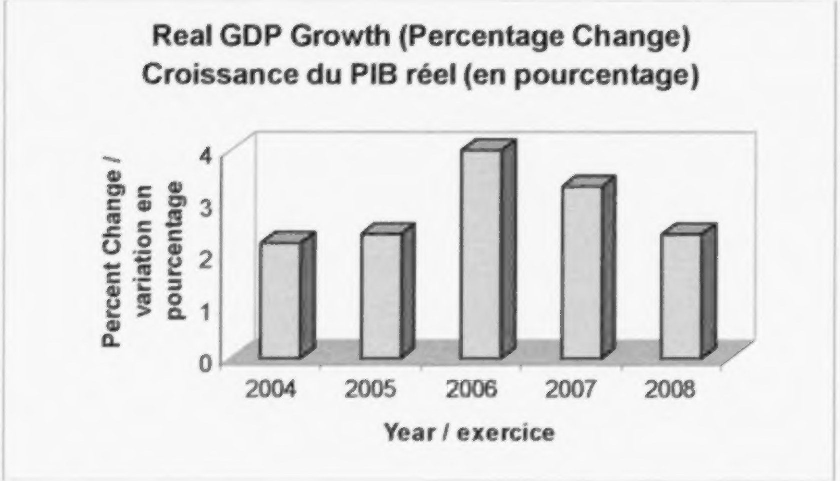
L'économie manitobaine est l'une des plus diversifiées du Canada. Cette diversité est une source permanente de force et de stabilité. Au cours des dix dernières années, la croissance économique réelle du Manitoba a été l'une des plus stables des provinces canadiennes.

Grâce à l'accroissement important des investissements commerciaux et à l'augmentation modeste des dépenses de consommation et des dépenses gouvernementales, l'économie manitobaine a connu une croissance de 2,4 %. L'industrie la plus solide de l'économie manitobaine en 2008 a été la production de biens. Ce sont notamment les secteurs de la construction et de l'agriculture qui ont connu la plus forte croissance. L'appréciation du dollar canadien a continué d'exercer une pression concurrentielle sur les entreprises manitobaines en rendant les biens et les services américains moins chers par rapport aux biens et aux services produits localement. Les États-Unis absorbent 69% des exportations du Manitoba. L'industrie de la production de biens a connu une croissance de 2,3%, la croissance la plus forte étant observée dans le secteur du commerce de détail

Le secteur industriel le plus important du Manitoba est celui de la fabrication, qui représente 12 % du produit intérieur brut (PIB) provincial. Par rapport à la plupart des autres provinces, au Manitoba, le secteur des services est vaste, ce qui contribue à la stabilité de l'économie provinciale. Les principales composantes du secteur des services sont les soins de santé, le transport, le commerce de gros et de détail, l'immobilier, les finances et l'assurance, et l'éducation. L'industrie des services représentait 72 % de l'économie du Manitoba en 2008, soit un niveau nettement supérieur à la moyenne nationale. Par ailleurs, 76 % des emplois au Manitoba relevaient du secteur des services.

Produit intérieur brut

Selon Statistique Canada, le PIB réel au Manitoba a augmenté de 2,4 %, ce qui représente une baisse par rapport à la croissance de 3,3 % enregistrée en 2007. Le PIB nominal a augmenté de 4,8 %, pour atteindre 50,9 milliards de dollars.



Real GDP Growth (Percentage Change)
Croissance du PIB réel (en pourcentage)

Population

Manitoba's population was 1,207, 959 as of July 1, 2008. This is Manitoba's "official" population for the year. The population growth from the previous year was 14,445 or 1.21%.

On a calendar year basis Manitoba's population grew by 13,337 in 2008 with total net in-migration of 8,544 combined with natural population growth (births minus deaths) of 4,793.

Labour Force and Incomes

Manitoba's employment increased 1.7% in 2008 with full-time employment growth of 2.1% and an increase of 0.1% in part-time employment. Total employment reached a record 606,700, an increase of 10,200. The goods-producing sector employment increased 2.2%, led by utilities and construction. Employment in the service sector increased 1.5% with strong growth occurring in the administrative, financial and transportation sectors. Virtually all of the new jobs created in 2008 were full-time employment.

Population

Au 1^er^ juillet 2008, le Manitoba comptait 1 207 959 habitants. Il s'agit de la population « officielle » de la province pour cette année. Par rapport à l'année précédente, la population a augmenté de 14 445 personnes, soit une croissance de 1,21 %.

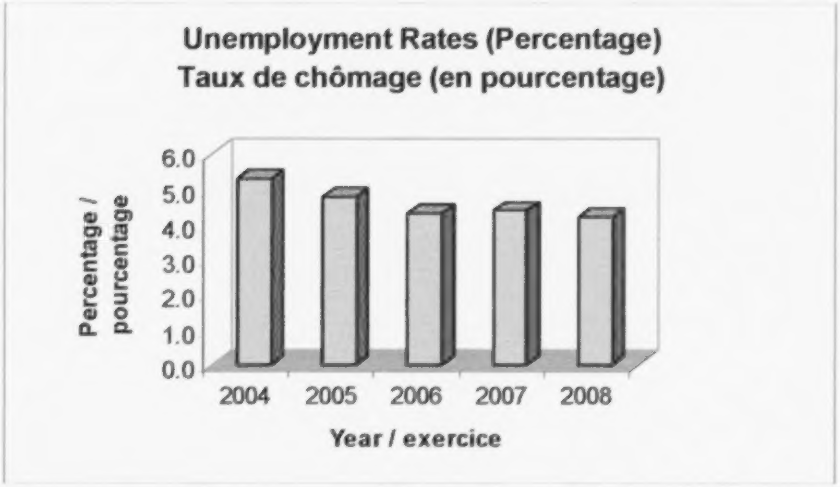
Pendant l'année civile 2008, la population manitobaine a augmenté de 13 337 personnes, soit une immigration nette de 8 544 personnes plus une croissance démographique naturelle (naissances moins décès) de 4 793 personnes.

Main-d'œuvre et revenus

En 2008, l'emploi a progressé de 1,7 % au Manitoba, dont 2,1 % pour les emplois à plein temps et 0,1 % pour les emplois à temps partiel. L'emploi total a atteint le chiffre record de 606 700, soit une augmentation de 10 200. Dans le secteur de la production de biens, l'emploi était en hausse de 2,2 %, les services publics et la construction arrivant en tête. Dans le secteur des services, le nombre d'emplois a augmenté de 1,5 %. La croissance était particulièrement forte dans les secteurs de l'administration, des finances et des transports. Dans leur quasi-totalité, les emplois créés en 2008 étaient des emplois à plein temps.

The unemployment rate decreased in 2008 to 4.2% from 4.4% in 2007. This rate was the third lowest in Canada and well below the national rate of 6.1%. Manitoba's youth unemployment rate was unchanged at 9.0% in 2008, the fourth lowest rate among provinces and well below the Canadian average of 11.6%. The Provincial participation rate, the ratio of the number of persons working or looking for work relative to the total labour force, increased to a record 69.6% in 2008. This rate is third highest rate among provinces.

Le taux de chômage a baissé, passant de 4,4 % en 2007 à 4,2 % en 2008. Ce taux était largement inférieur à la moyenne nationale de 6,1 %, plaçant le Manitoba au troisième rang parmi les provinces ayant les taux les plus bas au Canada. Le taux de chômage des jeunes dans la province est resté à 9,0 % en 2008, ce qui est bien moins que la moyenne canadienne de 11,6 % et qui plaçait le Manitoba au quatrième rang parmi les provinces ayant les taux les plus bas. En 2008, le taux d'activité provincial, soit le pourcentage de personnes dans la population active travaillant ou cherchant un emploi, a augmenté jusqu'à atteindre le chiffre record de 69,6 %, ce qui classe le Manitoba au troisième rang parmi les provinces à cet égard.



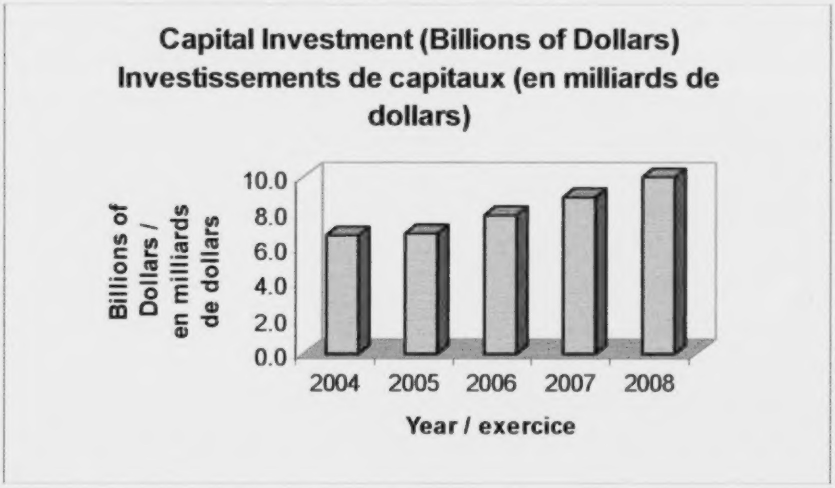
Unemployment Rates (Percentage)
Taux de chômage (en pourcentage)

Investment

Total capital investment increased 16.7% in 2008 according to Statistics Canada's Survey of Private and Public Investment. This was above the national increase of 5.2% and the second-highest growth rate among provinces. Private capital investment increased 15.2% in 2008 above the national increase of 1.6% and the highest growth among provinces. Manitoba is the only province to have increases in private capital investment in each of the last 17 years. Private investment accounts for 70% of total capital investment in Manitoba. Public capital investment increased 20.1% in 2008 lower than the national growth of 21.5%.

Investissements

Le total des investissements de capitaux au Manitoba a augmenté de 16,7 % en 2008, selon l'étude sur les investissements privés et publics de Statistique Canada. Ce chiffre, le deuxième par comparaison avec les autres provinces, était supérieur à la moyenne nationale de 5,2 %. Les investissements de capitaux privés ont augmenté de 15,2 % en 2008, un chiffre supérieur à la moyenne nationale de 1,6 %, et qui représente la hausse la plus forte parmi les provinces. Le Manitoba est la seule province où les investissements de capitaux privés ont augmenté tous les ans depuis 17 ans. Les investissements privés représentent 70 % de tous les investissements de capitaux au Manitoba. Les investissements de capitaux publics ont augmenté de 20,1 % en 2008, ce qui était plus bas que la moyenne nationale de 21,5 %.

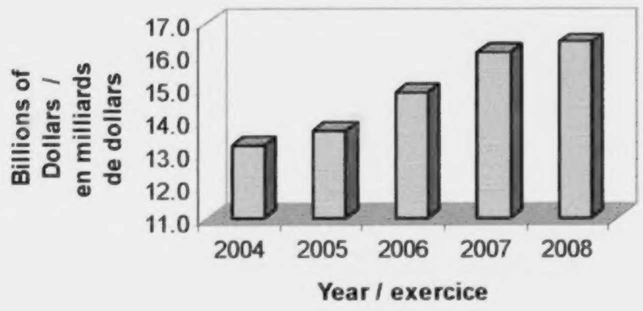

Capital Investment (Billions of Dollars)
Investissements de capitaux (en milliards de dollars)

Sectoral Developments

Manitoba manufacturing shipments rose 1.8% to $16.4 billion, while nationally shipments decreased 0.4%. Six of the province's twelve manufacturing industries posted gains in 2008. The majority of Manitoba's manufactured goods are exported to other provinces or countries. In 2008, manufactured goods accounted for 61% of total foreign exports.

Développements sectoriels

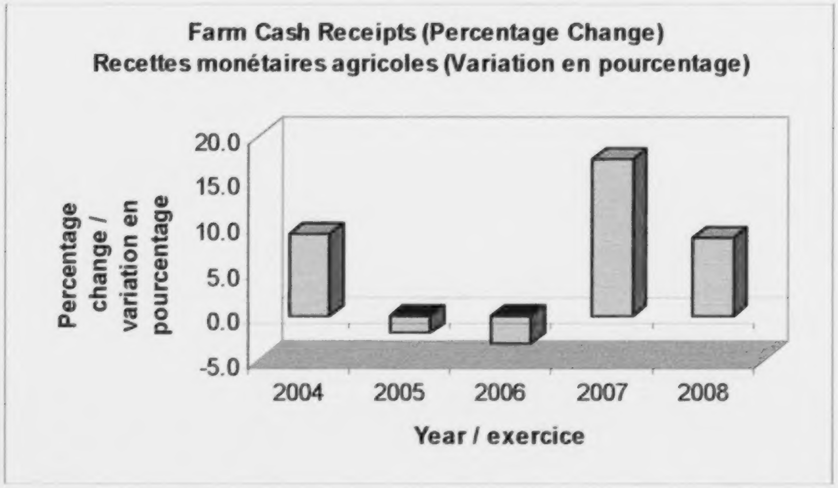
Les envois manufacturiers en provenance du Manitoba ont augmenté de 1,8 % pour atteindre 16,4 milliards de dollars, alors que les envois nationaux ont baissé de 0,4 %. Six des 12 industries manufacturières de la province ont affiché des profits en 2008. La majeure partie des biens fabriqués au Manitoba est exportée vers d'autres provinces ou d'autres pays. En 2008, les biens fabriqués représentaient 61 % du total des exportations vers l'étranger.



Value of Manufacturing Shipments (Billions of Dollars)
Valeur des expéditions de produits manufacturés (en milliards de dollars)

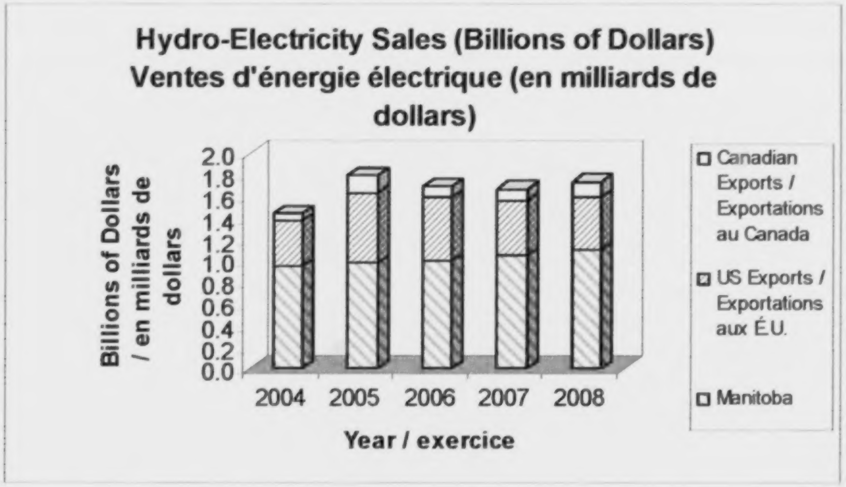
Manitoba farm cash receipts increased 8.7% to $4.7 billion in 2008. Crop cash receipts increased 23.8% to the highest level on record exceeding $2.7 billion. Livestock receipts decreased 3.2% due to a 13.5% decline in hog receipts. Direct payments decreased 21.9% in 2008. Overall market receipts increased 11.9%.

En 2008, les recettes monétaires agricoles du Manitoba ont augmenté de 8,7 % pour s'établir à 4,7 milliards de dollars. Les recettes des productions végétales ont augmenté de 23,8 % et ont atteint un niveau record dépassant les 2,7 milliards de dollars. Les recettes tirées de la vente du bétail ont baissé de 3,2 % à cause d'une diminution de 13,5 % des recettes porcines. Les paiements directs ont baissé de 21,9 % en 2008. Les recettes monétaires globales tirées du marché ont augmenté de 11,9 %.



The total value of hydro-electricity sales increased in 2008 by 4.2% to $1.7 billion, as domestic sales and Canadian exports increased 4.7% and 45.2%, respectively. U.S. hydro export sales declined 4.5%. Hydro export sales to the U.S. and other provinces accounted for 36.5% of hydro sales in 2008.

La valeur totale des ventes d'hydroélectricité a augmenté de 4,2 % en 2008, pour atteindre 1,7 milliards de dollars, les ventes intérieures augmentant de 4,7 % et les exportations canadiennes de 45,2 %. Les exportations d'hydroélectricité vers les États-Unis ont baissé de 4,5 %. Les exportations d'hydroélectricité vers les États-Unis et les autres provinces représentaient 36,5% des ventes d'hydroélectricité en 2008.



Housing starts decreased 3.5% to 5,537 starts in 2008; this was still the second-highest level since 1987. Single-family starts decreased 4.3% to 3,690 the third-highest level since 1987. Multiple starts declined 1.8% to 1,847 units the second-highest level since 1988. The value of building permits issued in 2008 increased 10.6% to a record level of $1.6 billion. Residential permits increased 14.1% to exceed one billion dollars for the first time and non-residential permits increased 3.9%.

Manitoba retail sales increased 7.2% to $15.0 billion. Most retail categories increased with particular strength in the gasoline; pharmacy; furniture, appliance and electronic; and hardware, garden and building supply outlets. Sales in clothing stores and motor vehicle dealers declined.

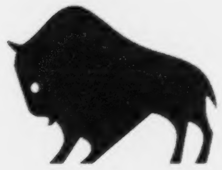
Manitoba mineral production decreased 17.9% to $2.5 billion as lower prices for metals prevailed throughout 2008. Petroleum output increased 38.2% to a record $831 million.

Les mises en chantier de maisons ont décliné de 3,5 % - il y en a eu 5537 en 2008, ce qui, malgré tout, représente le deuxième chiffre le plus fort depuis 1987. Les constructions de maisons unifamiliales sont passées à 3690, diminuant de 4,3 % (ce chiffre étant le troisième parmi les chiffres les plus élevés depuis 1987). Les constructions d'immeubles à logements multiples sont passées à 1847, soit une baisse de 1,8 % (ce chiffre étant le deuxième parmi les chiffres les plus élevés depuis 1988). La valeur des permis de construire accordés en 2008 a augmenté de 10,6 %, passant à un chiffre record de 1,6 milliard de dollars. Les permis résidentiels ont connu une hausse de 14,1 %, dépassant un milliard de dollars pour la première fois, et les permis non-résidentiels ont augmenté de 3,9 %.

Les ventes au détail au Manitoba ont augmenté de 7,2 % et atteint 15 milliards de dollars. Les ventes au détail ont augmenté dans la plupart des catégories, mais elles étaient particulièrement vigoureuses dans les secteurs de l'essence, de la pharmacie, de l'ameublement, de l'électroménager et de l'électronique, ainsi que dans les points de vente de matériaux de construction et d'articles de quincaillerie et de jardinage.

La production de minéraux au Manitoba a diminué de 17,9 %, jusqu'à un chiffre de 2,5 milliards de dollars, à cause de la baisse des prix des métaux, qui s'est maintenue pendant toute l'année 2008. La production de pétrole a augmenté de 38,2 %, passant à un chiffre record de 831 millions de dollars.

PUBLIC ACCOUNTS
VOLUME 1
FOR THE YEAR ENDED
MARCH 31, 2009



VOLUME 1
DES COMPTES PUBLICS
POUR L'EXERCICE TERMINÉ
LE 31 MARS 2009

INTRODUCTION TO THE PUBLIC ACCOUNTS OF MANITOBA/ INTRODUCTION AUX COMPTES PUBLICS DU MANITOBA

Nature of the Public Accounts

The Public Accounts of Manitoba are prepared annually by statutory requirement in accordance with section 65(1) of *The Financial Administration Act*, which is Chapter F55 of the Continuing Consolidation of the Statutes of Manitoba. The Public Accounts reflect the summary financial position of the Government and the operating results for the fiscal year of the Government, which ends on March 31.

The information contained in the report originates from two sources:

- the summarized financial information presented in the accounts of Manitoba, maintained by the Provincial Comptroller; and
- the detailed records, maintained by departments, agencies, Crown organizations (Crowns) and Government Business Enterprises (GBEs).

Each department and public sector organization is responsible for reconciling its accounts to the control accounts of the Provincial Comptroller, and for maintaining detailed records of the transactions in their accounts.

Format of the Public Accounts of Manitoba

The Public Accounts of Manitoba consists of the following volumes:

Volume 1 presents the Economic Report, the Financial Statement Discussion and Analysis, the audited summary financial statements of the Government, and financial reports on the Statement of Calculation of Balance Under *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act,* the Fiscal Stabilization Account and the Debt Retirement Account;

Volume 2 presents the audited Schedule of Public Sector Compensation Payments of $50,000 or more and the Government Departments' and Special Operating Agencies' payments in excess of $5,000 that do not require an audit; and

Volume 3 presents Supplementary Schedules and other statutory reporting requirements.

Nature des comptes publics

Les Comptes publics du Manitoba sont préparés tous les ans par obligation légale, conformément au paragraphe 65(1) de la *Loi sur la gestion des finances publiques*, chapitre F55 de la *Codification permanente des lois du Manitoba*. Les comptes publics présentent la situation financière sommaire du gouvernement et les résultats de ses activités pour l'exercice financier du gouvernement, qui se termine le 31 mars.

Les renseignements fournis dans le rapport proviennent de deux sources :

- le résumé de l'information financière présentée dans les comptes du Manitoba, qui sont tenus par le contrôleur de la province;
- les registres détaillés, qui sont tenus par les ministères, les organismes, les sociétés de la Couronne et les entreprises publiques.

Chacun des ministères et des organismes du secteur public est responsable du rapprochement de ses comptes et des comptes collectifs tenus par le contrôleur de la province, et de la tenue de registres détaillés de leurs opérations comptables.

Composition des Comptes publics du Manitoba

Les Comptes publics du Manitoba comprennent les volumes suivants :

Le **volume 1** présente le Rapport économique, le Rapport d'analyse des états financiers, les états financiers sommaires vérifiés du gouvernement, ainsi que les rapports financiers portant sur l'état annuel du solde à la fin de l'exercice en vertu de la *Loi sur l'équilibre budgétaire, la gestion financière et l'obligation de rendre compte aux contribuables*, le compte de stabilisation des revenus et le compte de remboursement de la dette;

Le **volume 2** présente la liste vérifiée des paiements de rémunération du secteur public totalisant 50 000 $ ou plus, ainsi que les paiements totalisant plus de 5 000 $ qui n'exigent pas de vérification et qui sont versés par les ministères gouvernementaux et par les organismes de service spécial.

Le **volume 3** présente les annexes supplémentaires et les autres documents qui satisfont aux exigences législatives en matière de rapports.

Volume 4 is provided as a compendium of the audited financial statements of funds, Crowns, agencies and GBEs included in the Government Reporting Entity (GRE), but is not considered to be part of the Public Accounts of Manitoba.

Volume 1: Annual Report for the Year ended March 31, 2009 - this volume contains the following specific information:

Financial Statement Discussion and Analysis - this section provides a written commentary on the summary financial statements plus additional information on the financial and economic performance of the Provincial Government. The information contained in the Financial Statement Discussion and Analysis section is taken from the March 31, 2009 summary financial statements on pages 65-114.

Summary Financial Statements - these audited statements disclose the financial impact of the Government's activities. Only the Government's summary financial statements provide the key information on the financial activities of the entire Government. The summary financial statements include the financial results of the 124 different agencies the Government uses to deliver its goods and services. The GRE includes the core Government and Crown organizations, government business enterprises and public sector organizations such as regional health authorities, school divisions, universities and colleges. The departments and entities comprising the GRE are disclosed in Schedule 9 of the summary financial statements.

The summary financial statements also provide the following key financial information:

- the Government's financial position at March 31 each year
- the results of its operations for the year
- what revenue it brought in and what it spent (i.e. annual surplus or deficit)
- how much it borrowed, repaid or refinanced
- how it obtained and used its cash

Le **volume 4** est un recueil des états financiers vérifiés des fonds, des organisations de la Couronne, des organismes publics et des entreprises publiques inclus dans le périmètre comptable du gouvernement, mais il n'est pas considéré comme faisant partie des comptes publics du Manitoba.

Volume 1 : Rapport annuel pour l'exercice terminé le 31 mars 2009 - ce volume contient l'information financière suivante :

Analyse des états financiers - cette section fournit un exposé écrit des états financiers sommaires, ainsi que des renseignements complémentaires sur la performance financière et économique du gouvernement du Manitoba. Les renseignements contenus dans l'analyse des états financiers sont tirés des états financiers sommaires pour l'exercice terminé le 31 mars 2009 (pages 65 à 114).

États financiers sommaires - les états financiers sommaires sont des états vérifiés qui précisent l'incidence financière des activités du gouvernement. Seuls les états financiers sommaires du gouvernement fournissent des renseignements clés sur les activités financières de tout le gouvernement. Ces états comprennent les résultats financiers des 124 organismes différents dont se sert le gouvernement pour fournir des biens et des services. Le périmètre comptable du gouvernement inclut les opérations fondamentales du gouvernement, les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges. Les ministères et les organismes compris dans le périmètre comptable du gouvernement figurent à l'annexe 9 des états financiers sommaires.

Les états financiers sommaires contiennent les renseignements financiers clés suivants :

- la situation financière du gouvernement au 31 mars chaque année;
- les résultats des activités de l'exercice;
- le total des recettes et des dépenses (c'est-à-dire, l'excédent ou le déficit annuel);
- les sommes empruntées, remboursées ou refinancées;
- les sommes obtenues et la façon dont elles ont été utilisées.

Other Financial Reports – includes audited reports on information other than financial statements, including:

- the Calculation of Balance Under *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act,*
- the Fiscal Stabilization Account, and,
- the Debt Retirement Account.

Volume 2: Supplementary Information - this volume contains the following specific information:

***Schedule of Public Sector Compensation* of $50,000 or More -** This audited schedule contains payments of $50,000 or more as paid through Government Departments as well as those paid by Special Operating Agencies, as required by *The Public Sector Compensation Disclosure Act*, and

Statement of Payments in Excess of $5,000 to Corporations, Firms, Individuals, Other Governments and Government Agencies - Included are details of Consolidated Fund and Special Operating Agencies' payments in excess of $5,000 to corporations, firms, individuals, other governments and government agencies.

Volume 3: Supplementary Schedules and Other Statutory Reporting Requirements - This volume contains unaudited statements, schedules and other information, as well as the following audited statements:

- the Report of Amounts Paid or Payable to Members of the Assembly; and
- the Northern Affairs Fund.

Volume 4: Includes a compendium of audited financial statements of funds, organizations, agencies and enterprises.

The Public Accounts of Manitoba are available on the Internet at:
www.fin.gov.mb.ca

Autres rapports financiers – cette section comprend des rapports vérifiés portant sur l'information financière autre que les états financiers, notamment :

- l'état annuel du solde à la fin de l'exercice en vertu de la *Loi sur l'équilibre budgétaire, la gestion financière et l'obligation de rendre compte aux contribuables*;
- le compte de stabilisation des revenus;
- le compte de remboursement de la dette.

Volume 2 : Supplément d'information - ce volume contient l'information suivante :

Liste de la rémunération dans le secteur public - cette liste vérifiée présente les paiements totalisant 50 000 $ ou plus, qu'il s'agisse des paiements versés par les ministères gouvernementaux ou de ceux versés par les organismes de service spécial, conformément aux exigences de la *Loi sur la divulgation de la rémunération dans le secteur public*.

État des paiements de plus de 5 000 $ versés à des sociétés, à des entreprises, à des particuliers, à d'autres administrations publiques et à des organismes publics - cet état contient la liste des paiements de plus de 5 000 $ versés à même le fonds de fonctionnement ou par les organismes de service spécial à des sociétés, à des entreprises, à des particuliers, à d'autres administrations publiques et à des organismes publics.

Volume 3 : Annexes supplémentaires et autres rapports prévus par la loi - ce volume contient des états, des annexes et d'autres renseignements non vérifiés, à l'exception des deux états suivants :

- le rapport des sommes versées ou à verser aux membres de l'Assemblée législative;
- le Fonds des Affaires du Nord.

Volume 4 : Ce volume comprend un recueil d'états financiers vérifiés de fonds, d'organisations, d'organismes et d'entreprises.

Les Comptes publics du Manitoba peuvent être consultés sur Internet à l'adresse suivante :
www.fin.gov.mb.ca

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS REPORT/ Rapport d'analyse des états financiers

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2008/09 FINANCIAL HIGHLIGHTS

The highlights section provides a summary of the key events affecting the summary financial statements for the 2008/09 fiscal year with comparisons to results for the previous fiscal year, as applicable.

- The summary financial statements of the Province of Manitoba fully comply with Canadian generally accepted accounting principles for the public sector and received an unqualified audit opinion from the Auditor General of Manitoba.
- The Government achieved a net income of $470 million, marking the fifth consecutive year the Government has recorded a net income in the summary financial statements.
- The net income was $374 million higher than stated in Budget 2008. It resulted from the difference between higher revenues than budgeted of $592 million and higher expenses than budgeted of $218 million.
- The net income was $154 million higher than forecast in the Third Quarter Financial Report.
- The net income achieved in 2008/09 included revenue of $12,915 million that sustained program expenses of $11,615 million and public debt charges of $830 million.
- Total expense to GDP for 2008/09 is 24.3%, and the expense ratio (total expenses as a percentage of total revenues) is 96.4% compared to 95.5% for 2007/08.
- Overall public debt charges as a percentage of revenue remained relatively constant at 6.4%.
- The Province continued to experience strong economic growth with a GDP of $51,275 million in 2008/09 (2007/08 - $48,225 million).
- The Province invested $978 million on new tangible capital assets during the year.

FAITS SAILLANTS 2008-2009

Les faits saillants résument les éléments clés des états financiers sommaires pour l'exercice financier 2008-2009 et les comparent aux résultats de l'exercice financier précédent, s'il y a lieu.

- Les états financiers sommaires de la Province du Manitoba sont entièrement conformes aux principes comptables généralement reconnus au Canada pour le secteur public, et le vérificateur général du Manitoba a émis à leur sujet une opinion de vérification sans réserve.
- Le gouvernement a réalisé des recettes nettes de 470 millions de dollars. Ses états financiers sommaires affichent donc un solde positif pour un cinquième exercice consécutif.
- Les recettes nettes ont dépassé de 374 millions de dollars la somme prévue dans le Budget de 2008. En effet, le dépassement des dépenses prévues de 218 millions de dollars a été plus que compensé par des recettes supplémentaires de 592 millions de dollars.
- Les recettes nettes ont été supérieures de 154 millions de dollars aux prévisions du Rapport financier du troisième trimestre.
- Le solde positif obtenu en 2008-2009 provenait de recettes de 12 915 millions de dollars, qui ont servi à couvrir des dépenses de programmes de l'ordre de 11 615 millions de dollars et à assumer des frais de la dette publique établis à 830 millions de dollars.
- Le ratio entre les dépenses totales et le PIB pour 2008-2009 est de 24,3 %, et le ratio des dépenses (dépenses totales en pourcentage des recettes totales) est de 96,4 %, contre 95,5 % pour 2007-2008.
- Les frais globaux de la dette publique en pourcentage des recettes totales sont demeurés constants, à 6,4 %.
- Le Manitoba a continué de connaître une forte croissance économique, réalisant un PIB de 51 275 millions de dollars en 2008-2009 (contre 48 225 millions de dollars en 2007-2008).
- La Province a investi 978 millions de dollars en nouvelles immobilisations corporelles au cours de l'exercice.

- Net debt position (the difference between total liabilities and financial assets) was at $11,498 million at the end of 2008/09, up $899 million from its balance as at March 31, 2008. The ratio of net debt to total revenues has increased to 89.0% from 84.8% at March 31, 2008. The increase resulted from a combination of an increasing net debt offset by increasing revenues. Net debt to GDP increased to 22.4% from 22.0% at March 31, 2008.

- The accumulated deficit (the difference between total liabilities and financial and non-financial assets) stood at $4,904 million as at March 31, 2009, an increase of $311 million from March 31, 2008. The accumulated deficit to GDP (gross domestic product) ratio was 9.5%, unchanged from March 31, 2008.

Note to Readers: The information utilized for financial indicators has not been adjusted to reflect the inclusion of school divisions for 2004/05 and 2005/06, as this information is not available. Readers are advised to use discretion when comparing indicators from 2004/05 and 2005/06 to the current or prior year's results.

With the exception noted above, financial results for prior years are amended to reflect the impact of changes in accounting policies and other adjustments made during the current fiscal year.

- La dette nette (le total des passifs moins les actifs financiers) s'élevait à 11 498 millions de dollars à la fin de 2008-2009, une hausse de 899 millions de dollars par rapport au solde du 31 mars 2008. Le ratio entre la dette nette et les recettes totales est passé de 84,8 % le 31 mars 2008 à 89,0 % un an plus tard. La hausse est due à l'augmentation de la dette nette et est compensée par l'augmentation des recettes. Le ratio entre la dette nette et le PIB est passé de 22,0 % le 31 mars 2008 à 22,4 % un an plus tard.

- Le déficit accumulé (le total des passifs moins les actifs financiers et non financiers) s'établissait à 4 904 millions de dollars au 31 mars 2009, en hausse de 311 millions de dollars depuis le 31 mars 2008. Le ratio entre le déficit accumulé et le produit intérieur brut (PIB) était de 9,5 %, soit le même qu'au 31 mars 2008.

Note aux lecteurs – Les renseignements servant à établir les indicateurs financiers n'ont pas été rajustés pour y inclure les divisions scolaires en 2004-2005 et 2005-2006, en raison de l'absence de données s'y rapportant. Les lecteurs doivent donc faire preuve de jugement en comparant les indicateurs de 2004-2005 et 2005-2006 aux résultats de l'exercice en cours ou de l'exercice précédent.

À l'exception de ce qui précède, les résultats financiers des exercices précédents ont été modifiés pour être conformes aux changements apportés aux conventions comptables et à d'autres rajustements effectués pendant l'exercice financier en cours.

FINANCIAL CONDITION OF THE GOVERNMENT

The Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA), through a proposed statement of recommended practices suggests a number of financial indicators to assist in the assessment of a government's financial condition. There are no established public sector benchmarks for these indicators. The indicators, expressed as ratios or trends, provide a picture of what has occurred over a period of years to facilitate comparisons and assist in the assessment of the Government's financial health in the context of the current economic and financial environment. The recommended indicators are grouped into three categories:

(1) ***Sustainability*** - measures a government's ability to maintain its programs without the need to increase its borrowings,

(2) ***Flexibility*** - how well a government can respond to rising financial commitments by either expanding its revenue or increasing its borrowings,

(3) ***Vulnerability*** - how much a government relies on revenue sources beyond its direct control or influence, both domestic and international.

Source of data and its limitations

The financial indicators in this report use key financial information from the audited summary financial statements. Economic information is obtained from Statistics Canada and the Manitoba Bureau of Statistics. Comparative data presented is not adjusted for inflation. Comparative results are restated to conform to any changes in accounting policy or presentation adopted in the current fiscal year. The financial indicators in this section present the results in the same format as presented in the Public Accounts of Manitoba.

The Government's 2008/09 Financial Condition

This section describes the Government's financial health using the CICA's three categories of sustainability, flexibility, and vulnerability. The section also describes each category and the related indicators. For each indicator, it provides trend data for Manitoba and highlights key trends.

LA SITUATION FINANCIÈRE DU GOUVERNEMENT

Le Conseil sur la comptabilité dans le secteur public de l'Institut canadien des comptables agréés (ICCA) publie un projet d'énoncé de pratiques recommandées dans lequel il suggère divers indicateurs financiers utiles à l'évaluation de la situation financière des gouvernements. Les indicateurs proposés ne sont pas associés à des valeurs de référence pour le secteur public. Ils correspondent plutôt à des ratios ou à des indicateurs de tendance qui dressent le portrait de la situation pendant un nombre donné d'exercices, pour faciliter les comparaisons et aider à l'analyse de l'évaluation de la santé financière du gouvernement dans la conjoncture économique et financière courante. Les indicateurs recommandés sont regroupés dans trois catégories :

(1) La ***viabilité*** - mesure la capacité d'un gouvernement de maintenir ses programmes sans avoir à accroître ses emprunts.

(2) La ***souplesse*** - mesure la capacité d'un gouvernement de faire face à des engagements financiers grandissants en accroissant ses recettes ou en s'endettant davantage.

(3) La ***vulnérabilité*** - mesure le degré de dépendance d'un gouvernement de sources de recettes qui échappent à son pouvoir direct ou à son influence, tant sur le plan national qu'international.

Les sources de données et leurs limites

Les indicateurs financiers présentés dans le présent rapport se fondent sur des données financières clés contenues dans les états financiers sommaires vérifiés. Les données économiques proviennent de Statistique Canada et du Bureau des statistiques du Manitoba. Les données comparatives présentées ne sont pas ajustées en fonction de l'inflation. Par contre, les résultats comparatifs sont ajustés pour tenir compte de la méthode comptable ou de la présentation adoptée au cours de l'exercice financier. Les indicateurs financiers de la présente section montrent les résultats dans le même format que celui des Comptes publics du Manitoba.

La situation financière du gouvernement en 2008-2009

La présente section décrit la santé financière du gouvernement à l'aide de trois catégories de l'ICCA, soit la viabilité, la souplesse et la vulnérabilité. Elle décrit également chacune des catégories et les indicateurs qui y sont associés. Pour chacun des indicateurs, on fournit des données et on souligne les principales tendances de la province.

Sustainability

As noted above, sustainability measures the ability of a government to meet its existing program commitments and creditor requirements without increasing its borrowings or tax burden.

Looking at trends for the following five indicators provides useful insight into the sustainability of a government's revenue-raising and spending practices:

- *Net Debt as a Percentage of Provincial GDP:* the relationship between a government's net debt and the income in the economy,
- *Net Debt-to-Total Annual Revenue:* the extent to which future revenues are required to pay for past transactions or events,
- *Accumulated Deficit-to-Provincial GDP:* the extent to which past and current deficits and surpluses influenced the Government's ability to manage its indebtedness and operational challenges,
- *Annual Net Income (Loss):* the extent to which Government is living within its means, and
- *Annual Net Income (Loss)-to-Provincial GDP:* the extent to which current period results influenced net debt.

Net Debt as a Percentage of Provincial GDP

The Government manages its revenue-raising and spending practices with due regard to the provincial economy. Looking at net debt and provincial GDP provides insights into these practices.

Net debt - the difference between a government's total liabilities and total financial assets - provides a measure of the future revenue required to pay for past transactions and events. Net debt as a percentage of provincial GDP (net debt to GDP ratio) measures the level of future financial obligations placed on the economy by a government's cumulative spending and revenue-raising practices. It provides a measure of how

Viabilité

Comme nous l'avons indiqué plus tôt, les ratios de viabilité mesurent la capacité d'un gouvernement d'assumer les engagements pris dans le cadre de ses programmes et de répondre aux exigences de ses créanciers sans avoir à accroître ses emprunts ou le fardeau fiscal.

L'observation des tendances qui se dégagent des cinq indicateurs suivants permet de se faire une idée concrète de la viabilité des pratiques du gouvernement en matière de dépenses et de production de recettes :

- *la dette nette en pourcentage du PIB provincial :* la relation entre la dette nette d'un gouvernement et les résultats de l'économie;
- *la dette nette en pourcentage des recettes annuelles totales :* la mesure dans laquelle les recettes à venir serviront à payer des opérations ou des événements passés;
- *le déficit accumulé en pourcentage du PIB provincial :* la mesure dans laquelle les déficits passés et actuels et les excédents influent sur la capacité d'un gouvernement de gérer son endettement et les difficultés dans ses activités;
- *les recettes nettes (pertes nettes) annuelles :* la mesure dans laquelle le gouvernement vit selon ses moyens.
- *les recettes nettes (pertes nettes) annuelles en pourcentage du PIB provincial* : la mesure dans laquelle les résultats de la période courante influent sur la dette nette.

La dette nette en pourcentage du PIB provincial

Le gouvernement adapte ses pratiques en matière de dépenses et de production de recettes en fonction de l'économie de la province. Le ratio entre la dette nette et le PIB provincial donne un aperçu des résultats de ces pratiques.

La dette nette, à savoir, le total des passifs du gouvernement moins le total de ses actifs financiers, indique les recettes qui devront être utilisées pour assumer financièrement des opérations ou des événements antérieurs. La dette nette en pourcentage du PIB provincial (ratio entre la dette nette et le PIB) exprime le niveau d'obligations financières que devra assumer l'économie en raison des pratiques cumulatives much debt a government is carrying relative to the province's annual economic output.

If debt levels grow at a lower rate than the economy, the ratio declines in terms of how much it represents as a percent of economic output that generates revenue. Higher ratios mean the Government will be required to generate increased future revenue to repay the debt. Higher ratios, among other factors, may also impact the interest rate at which a government can borrow (i.e. credit ratings).

Investment in capital improvements and replacement of deteriorating tangible capital assets, such as transportation infrastructure, also result in increased net debt. As the tangible capital investments are acquired, debt is incurred and then costs are amortized over their future useful life, essentially allocating costs to the period over which the assets will be used and over a period in which revenue will be generated within the Province's approach to balanced budgets. The percentage of net debt attributable to tangible capital investment has increased from 35.4% in 2004/05 to 56.7%, reflecting increased priority placed on renewing publicly funded capital assets and the inclusion of the public school divisions (7.2%).

A stable or declining net debt to provincial GDP ratio means that the cost of Government programs and tangible capital investment is not outpacing Government net revenue and growth of the provincial economy.

The downward trend of net debt as a percentage of provincial GDP indicates that the Province's economy is outperforming the resources being allocated to debt.

Graph 1 shows the net debt to GDP ratio at March 31, 2009 was 22.4%, compared to 22.0% in the previous year. A stable or declining net debt per capita is an indication of a stable or decreasing debt burden on a per person basis. The increase in net debt in 2008/09 is related to the other comprehensive losses recorded by the GBE's. These losses represented unrealized losses calculated at a point in time and can have significant impact on the measurement of net debt. OCI is measured as the change in "mark-to-market" valuations, interest rates, or foreign exchange rates at year end, and

en matière de dépenses et de production de recettes. Le pourcentage représente l'ampleur de la dette du gouvernement par rapport aux résultats économiques annuels de la province.

Lorsque l'économie est en expansion et que les niveaux d'endettement reculent, l'importance de la dette en pourcentage des résultats économiques générateurs de recettes diminue. Un ratio élevé signifie que le gouvernement devra produire à l'avenir davantage de recettes pour rembourser sa dette. De plus, un ratio élevé est un des facteurs susceptibles de jouer sur le taux d'intérêt auquel un gouvernement peut emprunter (cotes de crédit).

Des investissements dans l'amélioration des immobilisations et dans le renouvellement des immobilisations corporelles sujettes à l'usure, comme les infrastructures de transport, peuvent également accroître la dette nette. Au fur et à mesure que la province acquiert des immobilisations corporelles, elle contracte une dette, et le coût des nouvelles immobilisations est ensuite amorti sur leur vie utile, essentiellement en le passant en charges sur la période pendant laquelle les immobilisations seront utilisées et sur la période pendant laquelle elles produiront des recettes conformément à l'approche de budgets équilibrés adoptée par la Province. Le pourcentage de la dette nette attribuable à l'investissement en immobilisations corporelles est passé de 35,4 % en 2004-2005 à 56,7 %, un pourcentage qui traduit la priorité du gouvernement de renouveler les immobilisations publiques, ainsi que l'inclusion des divisions scolaires publiques (7,2 %).

Un ratio stable ou à la baisse entre la dette nette et le PIB provincial signifie que le coût des programmes et des investissements en immobilisations corporelles du gouvernement ne dépasse pas les recettes nettes du gouvernement et la croissance de l'économie de la province.

La tendance à la baisse de la dette nette en pourcentage du PIB provincial indique que la vigueur de l'économie de la province est supérieure à la progression des ressources consacrées à la dette.

Le Diagramme 1 indique que le ratio entre la dette nette et le PIB était de 22,4 % le 31 mars 2009, alors qu'il était de 22,0 % un an plus tôt. Une dette nette par habitant stable ou en baisse indique que le fardeau de la dette par habitant est également stable ou à la baisse. La hausse de la dette nette en 2008-2009 est liée aux autres pertes importantes rapportées par les entreprises publiques. Il s'agit en fait de pertes non réalisées calculées à un moment donné qui peuvent avoir un effet significatif sur la mesure de la dette nette. Les autres éléments du résultat étendu sont mesurés d'après la therefore is a one-day snapshot of the change in value when compared to the same day in the previous year.

Growth in GDP per capita must be taken into account to determine capacity to support debt. The GDP is a measure of the value of the goods and services produced in the Province during a given year. The GDP indicates the size of the provincial economy. The provincial economy grew steadily from $39,499 million in 2004/05 to $51,275 million in 2008/09 or by 29.8% during the five year period. During this period, the annual consumer price index fluctuated between 1.1% and 3.4%.

See page 56 for further analytical discussion on net debt.

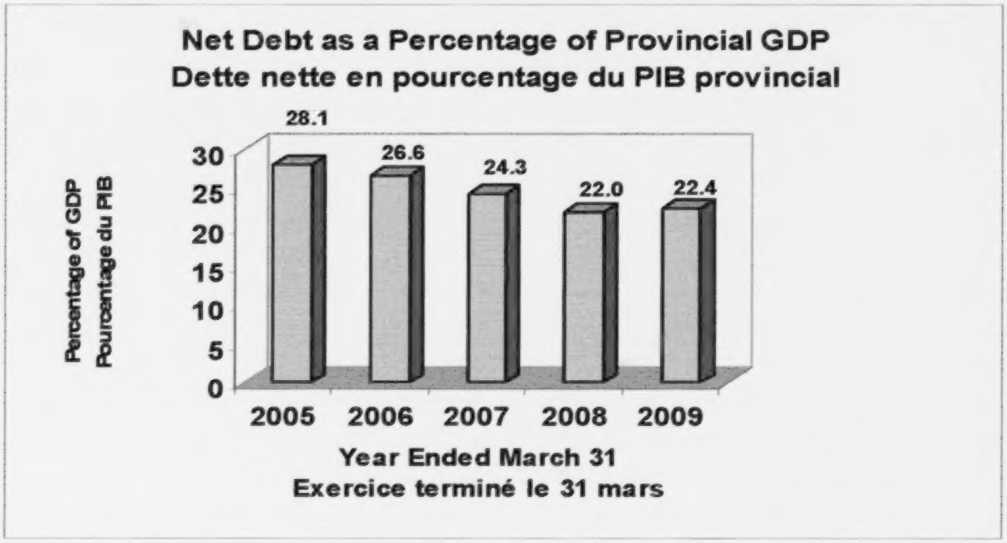
Graph 1

variation des évaluations à la valeur du marché, des taux d'intérêt et des taux de change en fin d'exercice et constituent, par conséquent, un aperçu ponctuel de la variation d'une valeur donnée par comparaison avec la valeur à la même date l'année antérieure.

La croissance du PIB par habitant doit être prise en compte pour déterminer la capacité d'endettement. Le PIB est une mesure de la valeur des biens et des services produits dans la province au cours d'une année donnée. Il indique la taille de l'économie provinciale. L'économie provinciale a progressé de façon constante, passant de 39 499 millions de dollars en 2004-2005 à 51 275 millions de dollars en 2008-2009, ce qui représente une croissance de 29,8 % sur la période de cinq ans. Pendant cette période, l'indice annuel des prix à la consommation a oscillé entre 1,1 % et 3,4 %.

Voir la page 56 pour une analyse complémentaire des questions entourant la dette nette.

Diagramme 1



Net Debt-to-Total Annual Revenue

Net debt is the amount that current and past generations have accumulated through annual losses and tangible capital investment. These amounts remain an obligation for future generations to fund through annual net income and annual amortization or to continue to carry as debt. It results when a government's total liabilities exceed total financial

La dette nette en pourcentage des recettes annuelles totales

La dette nette correspond à la somme des pertes et des investissements en immobilisations corporelles accumulée d'exercice en exercice par les générations actuelles et passées. Cette somme est une dette que les générations futures doivent continuer à reporter ou financer à même les recettes nettes annuelles et les amortissements annuels. On obtient une dette

assets. A ratio of increasing net debt to total annual revenue would indicate that an increasing amount of time will be needed to eliminate net debt.

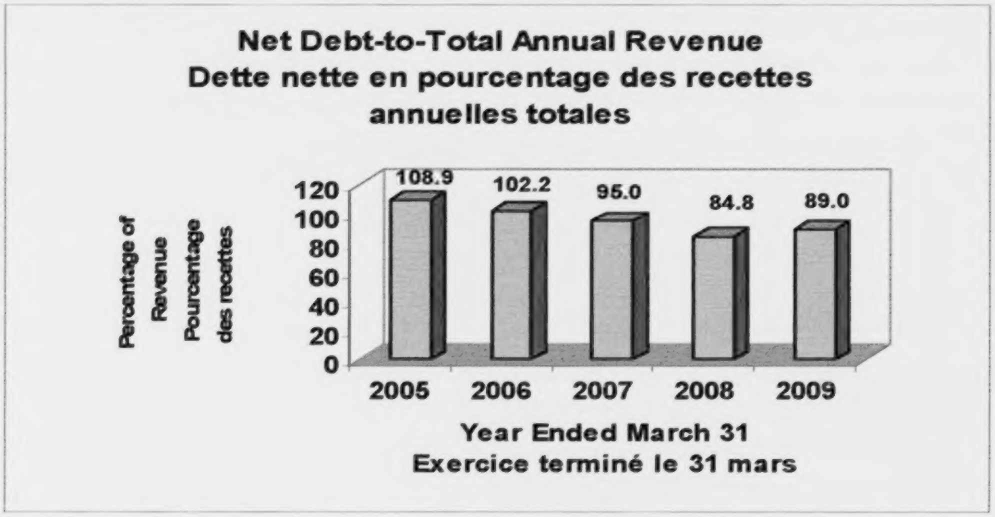
Graph 2 shows a fairly stable trend in the Government's ability to eliminate net debt. The decrease over time of the ratio of net debt to total annual revenue resulted from a combination of a declining net debt (see "Net debt and Accumulated Deficit" section on page 56 for annual changes) and increasing revenues (see "Revenue" on pages 46-49 for annual changes).

nette lorsque le total des passifs d'un gouvernement excède le total de ses actifs financiers. Un ratio croissant entre la dette nette et les recettes annuelles totales signifierait que plus de temps serait nécessaire à l'élimination de la dette nette.

Le Diagramme 2 indique une tendance plutôt stable dans la capacité du gouvernement d'éliminer la dette nette. La réduction progressive du ratio entre la dette nette et les recettes annuelles totales est due à la baisse de la dette nette (voir « Dette nette et déficit accumulé » à la page 56 pour connaître les variations annuelles) et à l'augmentation des recettes (voir « Recettes » aux pages 46 - 49 pour connaître les variations annuelles).

Graph 2

Diagramme 2



Accumulated Deficit-to-Provincial GDP

The accumulated deficit is the sum of all annual surpluses and deficits incurred to date, calculated according to current accounting policies. The accumulated deficit includes other comprehensive income, which is excluded from the calculation of the annual net income or loss. Other comprehensive income represents certain unrealized gains and losses on financial instruments reported by GBEs as a result of their early implementation of a new accounting standard in 2006/07. In accordance with recommendations of the Public Sector Accounting Standards Board (PSAB), other comprehensive income (loss) is not included in the Government's annual net operating results, but is

Le déficit accumulé en pourcentage du PIB provincial

Le déficit accumulé est la somme de tous les excédents et déficits accumulés d'exercice en exercice jusqu'à ce jour, obtenue d'après des calculs conformes aux méthodes comptables en vigueur. Le déficit accumulé comprend les autres éléments du résultat étendu, qui sont exclus du calcul des recettes nettes ou des pertes nettes de l'exercice. Les autres éléments du résultat étendu représentent des gains ou des pertes non réalisés sur les instruments financiers enregistrés par les entreprises publiques à la suite de l'adoption de nouvelles normes comptables en 2006-2007. Conformément aux recommandations du Conseil sur la comptabilité dans le secteur public (CCSP), les autres

instead recorded directly to the Province's statement of accumulated deficit. Other comprehensive income (loss) for 2008/09 was in a loss position of $781 million (2007/08 - $358 million income).

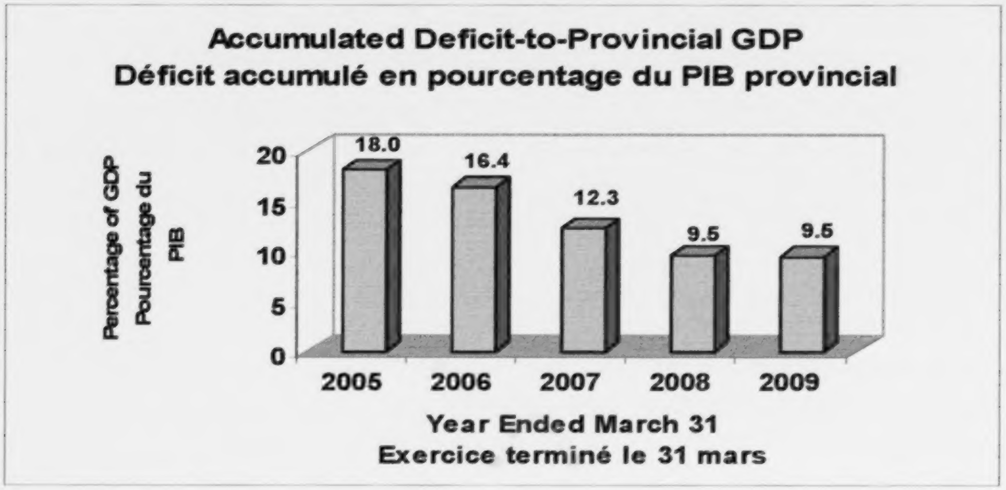
Graph 3 shows that the accumulated deficit-to-Provincial GDP ratio is on a downward trend resulting from a combination of declining accumulated deficits and increasing GDP. The accumulated deficit as at March 31, 2009 decreased $2,221 million from 2004/05. Part of this reduction results from the inclusion of additional entities into the GRE, primarily the net assets of public school divisions in 2008 ($753 million). This declining trend is an indication that losses and net debt are decreasing over time thus freeing up more funds currently absorbed by interest costs for more productive uses, while at the same time allowing the Province to maintain existing operations.

éléments du résultat étendu ne sont pas compris dans les résultats nets des activités de l'exercice, mais sont plutôt inscrits directement dans l'état du déficit accumulé de la province. Les autres éléments du résultat étendu en 2008-2009 représentent 781 millions de dollars de déficit (358 millions de dollars en 2007-2008).

Le Diagramme 3 montre que le ratio entre le déficit accumulé et le PIB provincial suit une tendance constante à la baisse, en raison du recul du déficit accumulé et de la hausse du PIB. Le déficit accumulé au 31 mars 2009 enregistrait une baisse de 2 221 millions de dollars par rapport à 2004-2005. Cette baisse découle en partie de l'inclusion d'autres entités dans le périmètre comptable du gouvernement, notamment de l'inclusion des actifs nets des divisions scolaires publiques en 2008 (753 millions de dollars). La tendance à la baisse indique que les pertes et la dette nette diminuent, ce qui permet à la Province de consacrer à des usages productifs des fonds actuellement absorbés par les frais d'intérêt, tout en maintenant ses activités en cours.

Graph 3

Diagramme 3



Annual Net Income (Loss)

The annual Net Income shows the extent to which a government generates revenues more or less than its operating expenses in one fiscal year.

Annual net income helps the Government maintain its services and provides an opportunity to lessen its borrowing needs. The annual net income for the year ended March 31, 2009 was $470 million.

Table 1 shows that in the last five years the Government has had five consecutive years of annual net income. Since the Government has raised more revenue than it spent it has lived within its means for this period.

See pages 46 - 49 for further analytical discussion on revenues.

Les recettes nettes (pertes nettes) annuelles

Les recettes nettes annuelles montrent la mesure dans laquelle le gouvernement génère plus ou moins de recettes que ses dépenses de fonctionnement pendant un exercice financier.

Les recettes nettes annuelles aident le gouvernement à maintenir ses services et à réduire ses besoins en matière d'emprunts. Les recettes nettes de l'exercice qui s'est terminé le 31 mars 2009 s'élevaient à 470 millions de dollars.

Tableau 1 montre qu'au cours des cinq derniers exercices, le gouvernement a eu des recettes nettes annuelles. Comme les recettes du gouvernement sont plus élevées que ses dépenses, cela veut dire qu'il a vécu selon ses moyens pendant cette période.

Voir les pages 46 - 49 pour une analyse complémentaire des données sur les recettes.

Table 1 **Tableau 1**

($ millions)/ (en millions de dollars)	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008	2006/07 Actual/ Chiffres réels de 2006-2007	2005/06 Actual/ Chiffres réels de 2005-2006	2004/05 Actual/ Chiffres réels de 2004-2005
	$	$	$	$	$
Revenue/Recettes............................	12,915	12,496	11,433	10,775	10,193
Total expenses/Dépenses totales.........	12,445	11,938	10,948	10,381	9,631
Summary Net Income/Recettes nettes sommaires....................................	470	558	485	394	562
Annual Net Income to Provincial GDP Recettes nettes en pourcentage du PIB provincial..	0.9%	1.2%	1.1%	1.0%	1.4%

Annual Net Income (Loss)-to-Provincial GDP

The ratio of Net Income to Provincial GDP measures the difference between revenues and expenses expressed as a percentage of GDP.

Table 1 shows positive results since 2004/05. These positive results indicate that the Government has the ability to meet its financial obligations. A positive trend indicates that the Government can maintain existing operations and reduce the debt or invest in infrastructure without having a negative impact on the economy.

Les recettes nettes (pertes nettes) en pourcentage du PIB provincial

Le ratio entre les recettes nettes et le PIB provincial mesure la différence entre les recettes et les dépenses en pourcentage du PIB.

Tableau 1 montre des résultats positifs depuis 2004-2005. Ces résultats indiquent que le gouvernement arrive à remplir ses obligations financières. Une tendance positive indique que le gouvernement peut maintenir ses activités courantes tout en réduisant la dette ou en investissant dans l'infrastructure sans que cela ne nuise à l'économie.

See pages 45 and 46 for further analytical discussion on surplus.

Flexibility

Flexibility measures the degree to which a government can increase financial resources to respond to rising commitments either by expanding its revenue or by increasing its net debt.

PSAB has recommended a number of financial indicators that assess a government's flexibility. The following indicators are considered applicable to provide insight into the Manitoba Government's flexibility:

- *Public Debt Charges to Total Revenue:* the extent to which borrowing decisions constrain a government's ability to meet financial and service commitments,
- *Own-source Revenue to Provincial GDP:* the extent to which a government is taking income out of the economy through taxation and user fees,
- *Annual Change to Net Book Value of Tangible Capital Assets:* the extent to which net changes in tangible capital assets affect future service potential; and
- *Net Book Value of Tangible Capital Assets to Cost of Tangible Capital Assets:* the extent to which the estimated useful lives of the Government's tangible capital assets are available to provide its products and services.

Public Debt Charges to Total Revenue

The amount of public debt charges (interest costs) as a percentage of total revenue shows the extent to which a government must use revenue to pay for interest costs rather than to pay for services. The ratio shows how much of every dollar of a government's revenue is needed to pay interest. A lower ratio of interest costs as a percentage of revenue means a government uses a smaller proportion of its revenue to pay for interest costs. Graph 4 illustrates a downward trend.

Voir les pages 45 et 46 pour une analyse complémentaire des données sur les excédents.

Souplesse

La souplesse mesure la capacité d'un gouvernement d'augmenter ses ressources financières pour faire face à des engagements en accroissant ses recettes ou en augmentant sa dette nette.

Le Conseil sur la comptabilité dans le secteur public recommande l'usage de divers indicateurs financiers pour juger de la souplesse du gouvernement. Parmi ceux-ci, on considère que les indicateurs suivants aident à apprécier la souplesse du gouvernement du Manitoba:

- *les frais de la dette publique en pourcentage des recettes totales :* mesure dans laquelle les décisions en matière d'emprunts restreignent la capacité d'un gouvernement de faire face à ses engagements financiers et d'assurer la prestation des services prévus;
- *les recettes autonomes en pourcentage du PIB provincial :* mesure dans laquelle le gouvernement prélève des revenus dans l'économie sous forme d'impôts et de droits d'utilisation;
- *la variation annuelle de la valeur comptable nette des immobilisations corporelles :* mesure dans laquelle la variation nette des immobilisations corporelles touche le potentiel futur de services;
- *la valeur comptable nette des immobilisations corporelles en pourcentage de leur coût :* mesure dans laquelle la vie utile estimative des immobilisations corporelles d'un gouvernement lui permet de fournir des produits et des services.

Les frais de la dette publique en pourcentage des recettes totales

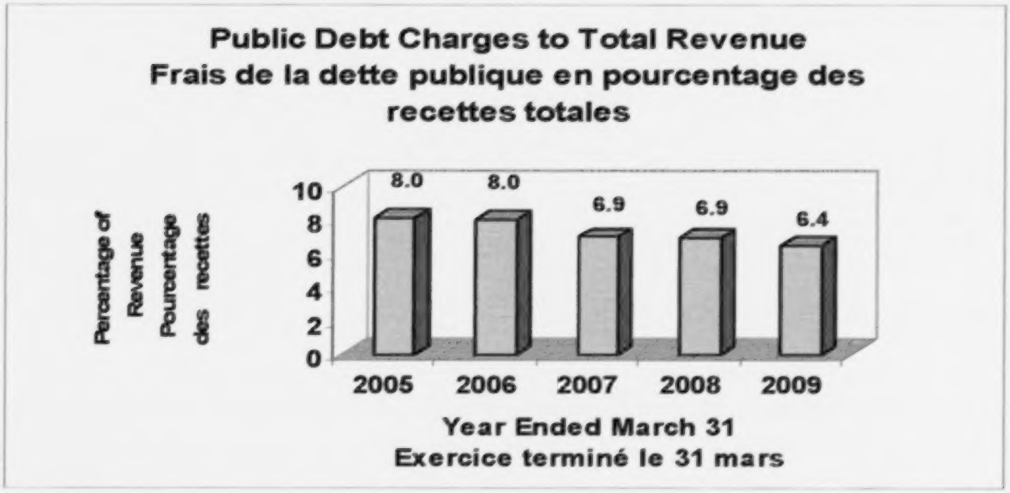
La somme des frais de la dette publique (frais d'intérêt) en pourcentage des recettes totales montre la mesure dans laquelle un gouvernement doit utiliser des recettes pour payer des frais d'intérêt plutôt que des services. Le ratio montre la proportion par dollar de recettes du gouvernement qui sert à payer les intérêts. Un faible ratio entre les frais d'intérêt et les recettes indique que le gouvernement consacre une faible part de ses recettes aux frais d'intérêt. Le diagramme 4 montre une tendance à la baisse.

Graph 4 shows that in 2004/05, the Government used 8.0 cents of every dollar of its revenue to pay interest. In 2008/09, 6.4 cents of every dollar of revenue was used. Reductions in interest costs relative to increases in revenue have given the Government more resources to provide services without having to increase its revenue.

Au diagramme 4, on observe qu'en 2004-2005, le gouvernement utilisait 8,0 cents par dollar de recettes pour assumer les frais d'intérêt. En 2008-2009, il a utilisé 6,4 cents par dollar de recettes pour la même fin. La réduction des frais d'intérêt relative à l'augmentation des recettes a fait en sorte que le gouvernement dispose de plus de ressources qu'avant pour la prestation de services, sans avoir à accroître ses recettes.

Graph 4

Diagramme 4



Own-Source Revenue to Provincial GDP

A government's own-source revenue as a percentage of provincial GDP shows how much revenue from the provincial economy a government can raise through taxation and user fees. High ratios or increases in ratios mean a government is placing higher demands on its provincial economy – or more directly put, its demands are outpacing growth in the economy.

From 2004/05, the pace of increases in the Government's own-source revenue (i.e., revenue raised from within the Province) has been increasing at varying rates (10.5%, 5.6%, 11.5%, 6.2% and 3.6% from 2004/05-2008/09 respectively) to reflect the modest increases in the size of the provincial economy (5.9%, 4.8%, 8.0%, 7.8% and 6.3% from 2004/05 – 2008/09 respectively). Overall, the Government has not significantly changed its demands on the provincial economy over this time period.

Les recettes autonomes en pourcentage du PIB provincial

Les recettes autonomes en pourcentage du PIB provincial montrent la part de recettes que le gouvernement prélève de l'économie provinciale sous forme d'impôts et de droits d'utilisation. Des ratios élevés ou à la hausse indiquent que le gouvernement augmente les pressions qui s'exercent sur l'économie provinciale, autrement dit, ses besoins dépassent la croissance de l'économie.

Depuis 2004-2005, le rythme de l'augmentation des recettes autonomes du gouvernement (les recettes provenant de la province même) a varié (il était de 10,5 %, de 5,6 %, de 11,5 %, de 6,2 % et de 3,6%, respectivement, de 2004-2005 à 2008-2009), traduisant les modestes expansions dans la taille de l'économie provinciale (5,9 %, 4,8 %, 8,0 %, 7,8 % et 6,3 %, respectivement, de 2004-2005 à 2008-2009). Dans l'ensemble, le gouvernement n'a pas modifié de façon importante ses pressions sur l'économie provinciale pendant la période.

The own-source revenue total does not include the net income from GBEs as these entities operate outside of the Core Government operations, given the semi-autonomous nature of their operations. Their revenues are not derived from taxation or user fees, but from the supply of product or services.

Graph 5 shows the relationship between the ratios of own-source revenue to Provincial GDP. GDP increased from $39,499 million in 2004/05 to $51,275 million in 2008/09 or 29.8%. The rate of own–source revenues remained stable in relation to the economy from 16.1% of GDP in 2004/05 to 16.1% in 2008/09. Own source revenues increased by $290 million or 3.6% from $7,952 million in 2007/08 to $8,242 million in 2008/09. The main contributors to the increase are as follows:

- Revenue from fees and other revenues increased by $129 million, or 7.9%, due to economic and program activity, and

- Despite tax rate reductions, economic growth resulted in revenue from taxes increasing by $249 million, or 4.2%.

Les recettes autonomes totales ne comprennent pas les bénéfices nets des entreprises publiques étant donné leur nature semi-autonome et le fait que les opérations de ces entités sont exclues des opérations fondamentales du gouvernement. Leurs recettes ne proviennent pas d'impôts ou de droits d'utilisation, mais de l'offre de produits ou de services.

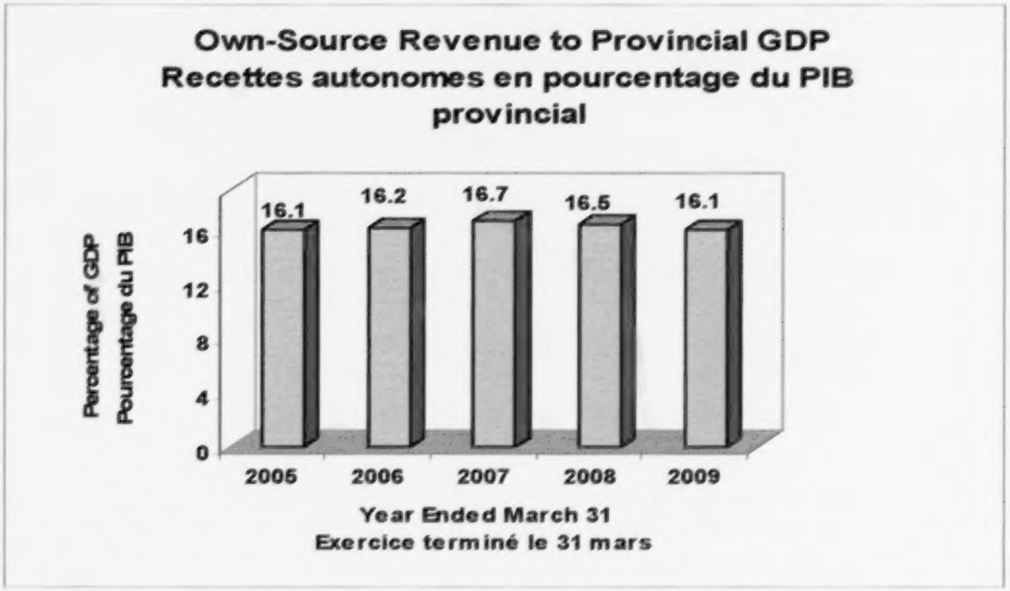
Le diagramme 5 montre la relation entre les ratios des recettes autonomes par rapport au PIB provincial. Le PIB est passé de 39 499 millions de dollars en 2004-2005 à 51 275 millions de dollars en 2008-2009, enregistrant un bond de 29,8 %. Le taux des recettes autonomes est demeuré stable par rapport à l'économie. Il est passé de 16,1 % du PIB en 2004-2005 à 16,1 % en 2008-2009. Les recettes autonomes ont augmenté de 290 millions de dollars ou 3.6%, passant de 7 952 millions de dollars en 2007-2008 à 8 242 millions de dollars en 2008-2009. Les principaux facteurs de la hausse sont les suivants :

- Les droits perçus et autres recettes se sont accrus de 129 millions de dollars ou 7,9 %, en raison de l'activité de l'économie et des programmes.

- Malgré les baisses d'impôt, la croissance économique a fait en sorte que les recettes fiscales augmentent de 249 millions de dollars, une hausse de 4,2 %.

Graph 5

Diagramme 5



Annual Change to Net Book Value of Tangible Capital Assets

Tangible capital assets (TCA) such as buildings, equipment, roads, and dams are essential for the economy and for delivering government services.

The annual percentage change in the net book value of tangible capital assets measures the extent to which a government is maintaining or failing to maintain the tangible capital assets it needs to deliver its services. An increase means a government has spent more on these assets than it has reduced their value because of age and use (commonly called amortization or depreciation).

Continual increases in the net book value of tangible capital assets may indicate that a government is maintaining or enhancing its tangible capital asset base which may lead to lower future maintenance or replacement costs because of decreased deterioration. As such, investing in TCA's can result in better financial results in future periods, which will not adversely influence service delivery and lead to decreased financial burdens on taxpayers in the future.

Recognizing the growing infrastructure needs in various sectors, the Government is committed to investing in public capital assets such as new or renewed hospitals, colleges, the Red River Floodway Expansion project and Manitoba's highway system. In 2008/09, $978 million was invested on new tangible capital assets, $17 million of existing tangible capital assets were either disposed of or written down to correctly reflect their value, and the net book value of all tangible capital assets was reduced by $375 million to account for annual amortization. The Government held significant tangible capital assets with a net book value of over $6,520 million at March 31, 2009.

The increases in the net book value of tangible assets suggest that, on an overall basis, the Government has maintained its existing capital assets.

See pages 58 - 60 for further analytical discussion on tangible capital assets.

La variation annuelle de la valeur comptable nette des immobilisations corporelles

Les immobilisations corporelles, comme les immeubles, l'équipement, les routes et les barrages, sont essentielles à l'économie et à la prestation des services publics.

La variation annuelle en pourcentage de la valeur comptable nette des immobilisations corporelles indique la mesure dans laquelle un gouvernement entretient ou omet d'entretenir les immobilisations corporelles dont il a besoin pour fournir ses services. Une hausse signifie que le gouvernement a investi plus dans ses actifs que la valeur perdue par ceux-ci en raison de l'âge et de l'usure (appelée communément amortissement ou dépréciation).

La hausse continuelle de la valeur comptable nette des immobilisations corporelles peut indiquer qu'un gouvernement entretient ou améliore l'ensemble de ces immobilisations, mais peut entraîner aussi une réduction des coûts d'entretien et de remplacement en raison d'une détérioration moindre. Ainsi, le fait d'investir dans l'entretien des immobilisations peut mener à de meilleurs résultats financiers dans l'avenir, ce qui ne nuit pas à la prestation des services en plus d'entraîner une réduction du fardeau financier des contribuables.

Étant conscient des besoins croissants en matière d'infrastructure dans divers secteurs, le gouvernement s'est engagé à investir dans des immobilisations publiques à venir ou existantes comme des hôpitaux, des collèges, le Projet d'agrandissement du canal de dérivation de la rivière Rouge et le réseau routier du Manitoba. En 2008-2009, on a investi 978 millions de dollars dans de nouvelles acquisitions d'immobilisations corporelles, déduit 17 millions de dollars des immobilisations corporelles existantes pour les rendre plus conformes à leur valeur réelle, et réduit de 375 millions de dollars la valeur comptable nette de toutes les immobilisations corporelles de façon à tenir compte de l'amortissement annuel. La valeur réelle nette des immobilisations corporelles du gouvernement s'élevait à plus de 6 520 millions de dollars le 31 mars 2009.

L'augmentation de la valeur comptable nette des immobilisations corporelles suggère que, dans l'ensemble, le gouvernement maintient les actifs corporels qu'il possède.

Voir les pages 58 à 60 pour une analyse complémentaire des données sur les immobilisations corporelles.

Net Book Value of Tangible Capital Assets-to-Cost of Tangible Capital Assets

The ratio of the net book value of tangible capital assets to the cost of tangible capital assets is important because it illustrates the relationship of the estimated useful life of government assets that is available to provide future service.

Graph 6 shows that the Government has been consistent in its maintenance of capital to deliver services. The annual total tangible capital cost increased $897 million from $10,887 million in 2007/08 to $11,784 million in 2008/09. The total cost of assets under construction, including infrastructure, as at March 31, 2009 is $998 million (2007/08-$848 million). Assets under construction are not depreciated (amortized) until they are put into service. The $998 million includes spending of $487 million in buildings and leasehold improvements and $511 million for infrastructure projects such as the Red River Floodway Expansion Project, road grading and surfacing and a number of bridge and structure projects. (See pages 58 - 60 for further analysis and discussion on tangible capital assets).

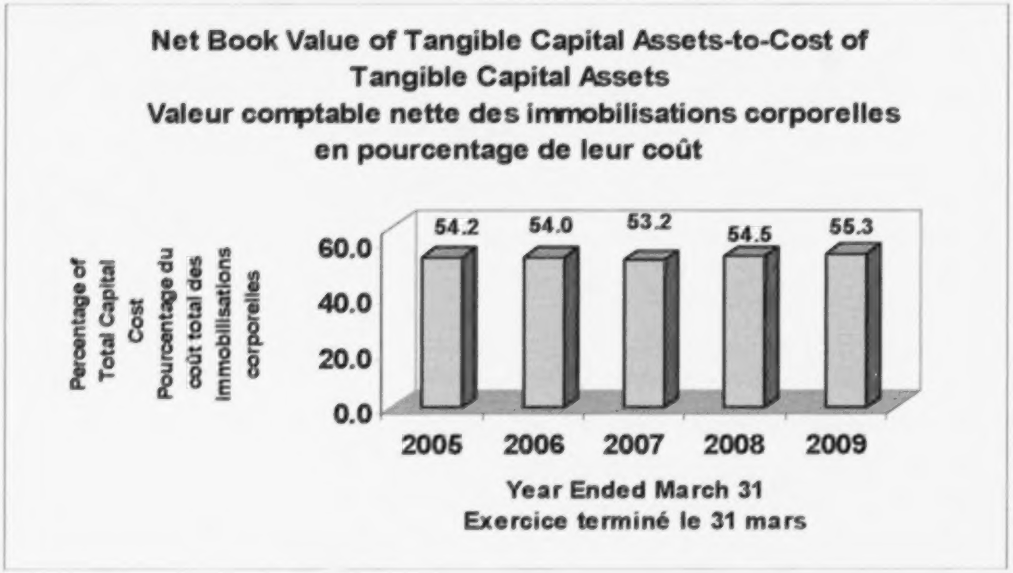
La valeur comptable nette des immobilisations corporelles en pourcentage de leur coût

Le ratio entre la valeur comptable nette des immobilisations corporelles et leur coût est très utile, car il est associé à la vie utile estimative des immobilisations corporelles dont le gouvernement disposera pour fournir des produits et des services.

Le Diagramme 6 montre que le gouvernement maintient les actifs qu'il possède pour assurer ses services. Le coût annuel total des immobilisations corporelles a augmenté de 897 millions de dollars, passant de 10 887 millions de dollars en 2007-2008 à 11 784 millions de dollars en 2008-2009. Le coût total des actifs en chantier le 31 mars 2009, y compris l'infrastructure, s'élevait à 998 millions de dollars (848 millions de dollars en 2007-2008). Les actifs en chantier ne sont pas amortis avant leur mise en service. Ce montant comprend des dépenses de 487 millions de dollars affectées aux améliorations immobilières et locatives, et 511 millions de dollars consentis à des projets d'infrastructure comme le Projet d'expansion du canal de dérivation de la rivière Rouge, le nivelage et le pavage des routes et un certain nombre de ponts et autres structures (voir les pages 58 à 60 pour une analyse complémentaire des données sur les immobilisations corporelles).

Graph 6

Diagramme 6



Vulnerability

Vulnerability is the degree to which a government becomes dependent upon, and thus, vulnerable to sources of revenue outside of its direct control or influence. A high degree of dependency may indicate a government is reliant on outside sources of financing to deliver programs and services at the current level and quality. However, federal funds when applied to capital projects and other one-time or non-operational program may not materially increase a government's revenue vulnerability.

Recommended indicators for providing insight into the Government's vulnerability include:

- *Federal Transfers to Own-Source Revenue,*
- *Federal Transfers to Total Revenues, and*
- *Foreign Currency Debt to Net Debt.*

Revenue from Federal Government Transfers

In Manitoba, transfers from the Federal Government are a significant source of revenue for the Provincial Government, accounting for about 30 per cent of total summary provincial revenues in 2008/09. As a result, the Province's fiscal position is somewhat vulnerable, at least in the short-term, to material reductions in federal transfers. Major federal transfers include Equalization, the Canada Health Transfer (for health care services) and the Canada Social Transfer (for post-secondary education, social assistance, social services and children's programming).

The Equalization program is the Federal Government's main transfer program for addressing fiscal disparities among provinces (differences in revenue-raising capacity). It was entrenched in the Canadian constitution in 1982. Under the program, a province with a fiscal capacity below the provincial average receives a grant that fills or "equalizes" the gap between its own fiscal capacity and the average. This ensures all provinces have the capacity to offer similar public services at comparable levels of taxation.

Vulnérabilité

La vulnérabilité se rapporte au degré de dépendance d'un gouvernement envers des sources de revenu pour lesquels il n'exerce pas directement de contrôle ou d'influence. Un degré de dépendance élevé peut indiquer qu'un gouvernement compte sur des sources de financement externes pour offrir la même gamme et qualité de programmes et services. Cependant, les fonds fédéraux affectés aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'augmentent pas nécessairement la vulnérabilité d'un gouvernement envers les sources de revenu.

Les indicateurs recommandés pour apprécier la vulnérabilité du gouvernement comprennent :

- *les transferts fédéraux en pourcentage des recettes autonomes;*
- *les transferts fédéraux en pourcentage des recettes totales;*
- *la dette en devises en pourcentage de la dette nette.*

Les recettes provenant des transferts du gouvernement fédéral

Au Manitoba, les transferts du gouvernement fédéral demeurent une source de revenu importante pour le gouvernement provincial, car ils correspondent à environ 30 % du total des recettes sommaires de la Province en 2008-2009. La situation financière de la Province se retrouve donc, dans une certaine mesure, à la merci des réductions des transferts fédéraux, à court terme du moins. Les principaux transferts fédéraux comprennent la péréquation, le Transfert canadien en matière de santé (pour les services de santé) et le Transfert canadien en matière de programmes sociaux (pour l'enseignement postsecondaire, l'aide sociale, les services sociaux et les programmes destinés aux enfants).

Le programme de péréquation est le principal programme de transfert fédéral. Il vise à atténuer la disparité fiscale entre les provinces (variation de la capacité de produire des revenus). Il est fixé dans la Constitution du Canada depuis 1982. En vertu de ce programme, une province dont la capacité fiscale est inférieure à la moyenne provinciale reçoit une subvention qui comble l'écart entre sa capacité fiscale et cette moyenne. Cela permet à toutes les provinces de pouvoir offrir des services publics similaires en fixant des montants d'imposition comparables.

The Federal Government introduced a renewed and strengthened Equalization program in its 2007 Budget. Under the renewed program, provincial fiscal capacity is based on the average fiscal capacity of all 10 provinces and measured using five standardized revenue bases – personal income tax, business income tax, consumption tax, property tax and 50 per cent of natural resource revenues. To better ensure stability and predictability, the payment calculation uses a weighted three-year rolling average of fiscal capacity, lagged two years. Equalization payments are determined in advance of each payment year and are not subject to revision.

In November 2008, the Federal Government announced it was making adjustments to the Equalization program to cap program growth at the same rate as the national economy as measured by a three-year moving average of nominal gross domestic product (growth in total program payments in 2009/10 would be limited to average GDP growth in 2007, 2008 and 2009). Transition protection would be provided to ensure no province receives less in 2009/10 than it did in 2008/09.

Manitoba received $2.063 billion in Equalization in 2008/09, an increase of $237 million over its entitlement in 2007/08. Equalization accounted for about 17 per cent of total summary revenues in 2008/09.

Both the Canada Health Transfer (CHT) and Canada Social Transfer (CST) are set in legislation up to 2013/14. The two transfers combined account for about 10 per cent of total summary revenues in 2008/09. Stable and predictable federal support for provincial and territorial health and social programming is assured through annual escalators – 6 per cent for the CHT and 3 per cent of the CST. Increases in the CHT are in support of the 10-Year Plan to Strengthen Health Care, signed by First Ministers in 2004, that resulted in $41 billion in new federal funding over 10 years (2004/05 to 2013/14). The 2007 federal Budget announced the CST would be allocated on an equal per capita cash basis starting in 2009/10.

Long-term and growing federal support through the CHT and CST contributes to national objectives by helping ensure provinces and territories have the resources they need to provide essential services in areas such as health care, post-secondary education

Le gouvernement fédéral a renouvelé et renforcé le programme de péréquation dans son budget de 2007. Dans le cadre de ce programme renouvelé, la capacité fiscale provinciale repose sur la capacité fiscale moyenne des dix provinces et est mesurée à l'aide de cinq assiettes de revenu (impôt sur le revenu des particuliers, impôt sur le revenu des sociétés, taxes à la consommation, impôts fonciers et 50 % des revenus des ressources naturelles). Pour garantir la stabilité et la prévisibilité, le calcul des paiements est fondé sur une moyenne pondérée mobile de trois ans, décalée de deux ans. Les paiements de péréquation sont fixés avant chaque année de paiement et ne peuvent être révisés.

En novembre 2008, le gouvernement fédéral a annoncé qu'il remaniait le programme de péréquation pour s'assurer qu'il progresse au même rythme que l'économie nationale mesurée en fonction de la moyenne mobile du produit intérieur brut nominal sur trois ans (la croissance du total des paiements de péréquation en 2009-2010 se limiterait à la croissance moyenne du PIB en 2007, 2008 et 2009). Une protection sera assurée pendant la transition pour éviter qu'une province ne reçoive moins en 2009-2010 qu'en 2008-2009.

Le Manitoba recevra 2,063 milliards de dollars en paiements de péréquation en 2008-2009, soit une augmentation de 237 millions de dollars par rapport à 2007-2008. La péréquation représente environ 17 % du total des recettes sommaires en 2008-2009.

Le Transfert canadien en matière de santé (TCS) et le Transfert canadien en matière de programmes sociaux (TCPS) sont fixés dans la législation jusqu'en 2013-2014. Ces deux programmes de transfert correspondent à environ 10 % du total des recettes sommaires en 2008-2009. La stabilité et la prévisibilité du soutien fédéral aux programmes de santé et programmes sociaux des provinces et territoires sont assurées au moyen d'indexations annuelles (6 % dans le cas du TCS et 3 % dans le cas du TCPS). Les augmentations touchant le TCS viennent appuyer le plan décennal pour consolider les soins de santé, que les premiers ministres ont signé en 2004, ce qui a permis l'obtention d'une nouvelle aide financière fédérale de 41 milliards de dollars répartie sur dix ans (2004-2005 à 2013-2014). Le Budget fédéral de 2007 prévoit que le TCS sera accordé à raison d'un montant égal par habitant à compter de 2009-2010.

Le soutien croissant et à long terme du gouvernement fédéral dans le cadre du TCS et du TCPS va dans le sens des objectifs nationaux en aidant les provinces et les territoires à obtenir les ressources qu'il leur faut pour assurer des services essentiels dans des

(PSE), child programming and social services.

The outlook for transfers from the Federal Government is based on existing federal-provincial-territorial funding arrangements. While the Province has no direct control over the amount it receives each year, it does have some opportunity to influence the framework and direction of fiscal transfers through consultations with the Federal Government.

See page 47 for a review of Federal transfers from 2004/05 to 2008/09.

Federal Transfers to Own-Source Revenue

Federal transfers as a percentage of own source revenue measures the extent to which the Province raises its own revenue from within the province as compared to the extent it receives money from the Federal Government. A high percentage may indicate a provincial government relies on federal transfers to operate. However, where federal funds are applied to capital projects, one-time programs or other non-operational purposes, reliance may not be substantially increased.

An increase in the Province's own-source revenue generally makes it less vulnerable to changes in levels of Federal transfers; it also enhances its ability to fund provincial programs, invest in infrastructure, and often, to continue to fully fund programs initiated with federal one-time transfers. Note that the Federal Transfers to Own-Source Revenue may vary from year to year as a result of increase or decreases in a government's own-source revenue.

The proportion of the Province's revenues received from Canada varied slightly over the last five years. Transfers increased in 2008/09 by $269 million, made up of $237 million increased Equalization, $53 million increased Canada Health and Social Transfers and a decrease of $21 million from shared cost agreements. Shared cost agreements included $55 million related to the Red River Floodway Expansion project and new programs, such as the infrastructure renewal funding in the amount of $50 million. In 2005, the Province

domaines tels que les soins de santé, l'enseignement postsecondaire, les programmes destinés aux enfants et les services sociaux.

Les perspectives d'évolution des transferts fédéraux sont fondées sur les modalités du financement fédéral-provincial-territorial existantes. Bien que la Province n'exerce pas de contrôle direct sur le montant qu'elle reçoit chaque année, elle a tout de même une certaine influence sur les grandes lignes et l'orientation des transferts fiscaux dans le cadre de ses consultations avec le gouvernement fédéral.

Voir la page 47 pour une analyse des transferts fédéraux de 2004-2005 à 2008-2009.

Les transferts fédéraux en pourcentage des recettes autonomes

Le ratio entre les transferts fédéraux et les recettes autonomes établit le rapport entre les fonds versés par le gouvernement fédéral et la mesure dans laquelle le gouvernement provincial génère ses propres recettes dans la province. Un pourcentage élevé peut indiquer que le gouvernement provincial dépend des transferts fédéraux pour mener ses activités. Cependant, les fonds fédéraux affectés aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'augmentent pas nécessairement cette dépendance de façon significative.

Une augmentation des recettes autonomes de la Province la rend habituellement moins vulnérable aux changements touchant les niveaux de transferts fédéraux. Elle augmente aussi sa capacité de financer les programmes provinciaux, d'investir dans l'infrastructure et, souvent, de continuer à financer pleinement les programmes lancés grâce à des transferts fédéraux non récurrents. Il convient de noter que les transferts fédéraux en pourcentage des recettes autonomes peuvent varier d'un exercice à l'autre à la suite de l'augmentation ou de la diminution des recettes autonomes du gouvernement.

La proportion des recettes de la Province provenant du Canada a peu varié au cours des cinq dernières années. Les transferts ont augmenté de 269 millions de dollars en 2008-2009, répartis comme suit : 237 millions de dollars de plus en péréquation, 53 millions de dollars de plus en transferts canadiens en matière de santé et de programmes sociaux et 21 millions de dollars de moins en vertu d'ententes relatives aux frais partagés. Ces dernières comprenaient 55 millions de dollars pour le Projet d'agrandissement du canal de dérivation de la

received additional Health funding specifically for the purpose of wait time reduction programming and other health related programming. While accounting standards required that this revenue be recognized in the year in which it was received, the programming that will be funded through these funds will occur over a number of years.

See pages 46 - 49 for an analysis of own-source revenues.

Federal Transfers to Total Revenues

The ratio of Federal Transfers to Total Revenue indicates the vulnerability of provinces to changes in transfer support from the Federal Government.

Graph 7 shows that from 2004/05 to 2008/09, there was a fairly steady proportion of Federal Transfers to Total Revenue indicating that the Province's dependence on Canada in the last five years was relatively steady.

Graph 7

rivière Rouge et de nouveaux programmes, comme le financement des travaux d'infrastructure, s'élevant à 50 millions de dollars. En 2005, la Province a reçu des fonds supplémentaires en matière de santé dans le cadre du transfert pour la réduction des temps d'attente et d'autres programmes liés à la santé. Bien que les normes comptables stipulent que ces recettes doivent figurer dans les états de l'exercice auquel elles se rapportent, les programmes qu'elles servent à financer se prolongent sur plusieurs années.

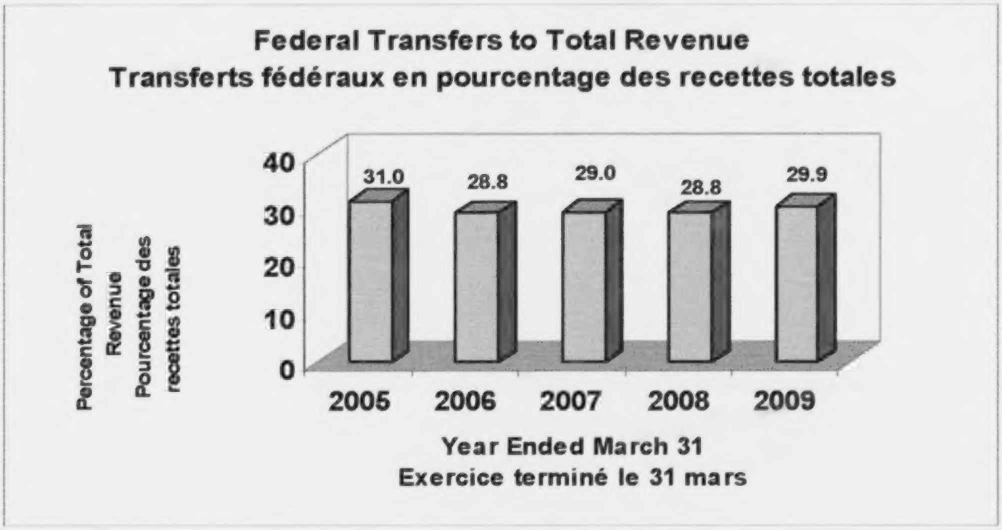
Voir les pages 46 - 49 pour une analyse complémentaire des données sur les recettes autonomes.

Les transferts fédéraux en pourcentage des recettes totales

Le ratio entre les transferts fédéraux et les recettes totales indique la vulnérabilité des provinces aux variations dans les transferts en provenance du gouvernement fédéral.

Le Diagramme 7 montre que de 2004-2005 à 2008-2009, les transferts fédéraux en pourcentage des recettes totales étaient relativement stables, ce qui indique que la dépendance de la Province envers le Canada au cours des cinq dernières années était sensiblement la même.

Diagramme 7



Foreign Currency Debt-to-Net Debt

The ratio of foreign currency debt to net debt for 2008/09 is zero because the foreign exchange risk is considered to be fully hedged through the use of derivative instruments such as swaps, forward foreign exchange contracts, as well as future U.S. dollar revenue streams and U.S. dollar sinking funds. In 1999, foreign currency exposure was approximately 19% of the core Government debt. The amount of foreign currency debt outstanding at March 31, 2009 is $6,178 million (2008 - $5,890 million), both of which were fully hedged. Decreasing the ratio of foreign currency debt to net Government debt through hedging activities mitigates the risk of debt servicing costs rising due to changes in foreign currency rates and improves the Province's financial position.

La dette en devises en pourcentage de la dette nette

Le ratio entre la dette en devises et la dette nette pour 2008-2009 est fixé à zéro, car le risque de change est considéré comme entièrement couvert par l'usage d'instruments dérivés, comme les swaps, les contrats de change à terme, ainsi que par les flux de rentrées de dollars US à venir et les fonds d'amortissement en dollars US. En 1999, le risque de change représentait environ 19 % de la dette générale du gouvernement. Le montant de la dette en devises au 31 mars 2009 était de 6 178 millions de dollars, contre 5 890 millions de dollars en 2008, et le risque était complètement couvert les deux exercices. La diminution du ratio entre la dette en devises et la dette nette du gouvernement grâce aux activités de couverture atténue le risque d'une hausse des frais de service de la dette en raison des variations dans le cours de monnaies et améliore la situation financière de la province.

RISKS AND UNCERTAINTIES

The Government's main exposure to risks and uncertainties arises from variables which it does not directly control. These include:

- Economic factors such as commodity prices, personal income, retail sales, and population growth,
- Unexpected events such as forest fires, widespread flooding or West Nile infection,
- Outcomes from litigation, arbitration and negotiations with third parties,
- Changes in Federal transfers,
- Utilization rates for Government services such as health care, children and family services, or employment assistance,
- Exposure to interest rate fluctuations, foreign exchange rates and credit risk,
- Changes in Canadian and International accounting standards,
- Identification and quantification of environmental liabilities,
- Adverse or unusual weather patterns that can influence results of those GRE entities whose results are susceptible to these factors, and
- Volatility of results including amounts consolidated from other reporting entities.

LES RISQUES ET LES INCERTITUDES

La principale exposition du gouvernement aux risques et aux incertitudes résulte de variables qui ne dépendent pas directement de lui. Ces variables sont entre autres :

- des facteurs économiques, comme le cours des matières premières, le revenu des particuliers, les ventes au détail et l'expansion de la population;
- les situations imprévues, comme les incendies de forêt, les inondations majeures ou les risques liés au virus du Nil occidental;
- les résultats de procès, d'arbitrages ou de négociations avec des tiers;
- les modifications des transferts fédéraux;
- les taux d'utilisation des services du gouvernement, comme les soins de santé, les services à l'enfant et à la famille et l'aide à l'emploi;
- l'exposition aux fluctuations des taux d'intérêt, aux taux de change et au risque de crédit;
- les modifications des principes comptables au Canada et à l'échelle internationale;
- la détermination et la quantification du passif environnemental;
- des régimes climatiques défavorables ou inhabituels susceptibles d'influencer les entreprises publiques dont les résultats sont sensibles à ces facteurs;
- la volatilité des résultats, y compris les résultats consolidés d'autres entités comptables.

VARIANCE ANALYSIS AND ASSESSMENT OF SIGNIFICANT TRENDS/ ANALYSE DES ÉCARTS ET DES PRINCIPALES TENDANCES

Summary Net Income/
Recettes nettes sommaires

($ millions)/ (en millions de dollars)				Variance/Écart	
Revenue and Expense Items/ Éléments des recettes et des dépenses	2008/09 Budget/ Budget de 2008-2009	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008	2008/09 vs 2007/08/ Chiffres réels de 2008-2009 et de 2007-2008	2008/09 Actual to Budget/ Chiffres réels et budget de 2008-2009
	$	**$**	**$**	**$**	**$**
Revenue/Recettes					
Income Taxes/Impôts……………….	2,611	2,841	2,652	189	230
Other Taxes/Autres taxes…………..	3,320	3,348	3,288	60	28
Fees and Other Revenue/Droits et autres recettes………………………	1,377	1,757	1,628	129	380
Sinking Funds and Other Earnings/ Fonds d'amortissement et autres revenus………………………………..	441	296	384	(88)	(145)
Total Own-Source Revenue/Total des recettes autonomes…………….	7,749	8,242	7,952	290	493
Government Business Enterprises/ Entreprises publiques……………….	668	807	947	(140)	139
Federal Government Transfers/ Transferts fédéraux…………………	3,906	3,866	3,597	269	(40)
Total revenue/ Recettes totales……………………..	**12,323**	**12,915**	**12,496**	**419**	**592**
Expenses/Dépenses					
Health/Santé…………………………..	4,371	4,586	4,232	354	215
Education/Éducation…………………	3,249	3,154	3,224	(70)	(95)
Family Services and Housing/ Services à la famille et Logement…..	1,331	1,321	1,224	97	(10)
Community, Economic and Resource Development/ Développement des communautés, de l'économie et des ressources…...	1,478	1,582	1,420	162	104
Justice and Other Government/ Justice et autres dépenses…………	992	972	974	(2)	(20)
Debt Servicing/Service de la dette…	806	830	864	(34)	24
Total expenses/ Dépenses totales……………………	**12,227**	**12,445**	**11,938**	**507**	**218**
Summary Net Income/Recettes nettes sommaires…………………..	**96**	**470**	**558**	**(88)**	**374**

The summary net income is the net financial result of the year's operations. The Province ended the year with a net income of $470 million, which is $374 million higher than budget and $88 million lower than the previous fiscal year. In 2008/09, total revenues were $12,915 million and total expenses were $12,445 million. The total revenues were higher than budget by $592 million or an increase of 4.8%, and total expenses were higher than budget by $218 million or an increase of 1.8%.

The most significant factors that impacted changes in summary net income to budget were:

- An increase of $139 million in the net income from GBEs from budget primarily due to significantly better than budgeted results achieved by Manitoba Hydro because of high water conditions,
- Increased income taxes of $230 million primarily resulting from a stable provincial economy,
- Increases in fees and other revenue of $380 million,
- Decreased sinking fund and other investment earnings of $145 million, and
- Expenses in general are up due to increasing demand on resources.

Additional variance analysis on the changes in revenues and expenses between 2008/09 and 2007/08 is included in later sections of this report.

Revenue

Revenue trend analysis provides users with information about significant changes in revenue over time and between sources, enabling users to evaluate past performance and assess potential implications for the future.

Les recettes nettes sommaires représentent le résultat financier net des activités de l'année. À la fin de l'exercice, la Province disposait de recettes nettes s'élevant à 470 millions de dollars, soit 374 millions de dollars de plus que dans les prévisions et 88 millions de dollars de moins qu'à l'exercice précédent. En 2008-2009, les recettes totales s'élevaient à 12 915 millions de dollars et les dépenses totales à 12 445 millions de dollars. Les recettes totales dépassaient les prévisions de 592 millions de dollars ou 4,8 %, et les dépenses totales dépassaient les prévisions de 218 millions de dollars ou 1,8 %.

Les principaux facteurs de l'écart entre les recettes nettes sommaires et les prévisions sont les suivants :

- une hausse de 139 millions de dollars du bénéfice net des entreprises publiques par rapport aux prévisions, essentiellement attribuable aux résultats d'Hydro-Manitoba de beaucoup supérieurs aux résultats prévus, en raison du niveau élevé des eaux;
- une hausse des recettes d'impôts de 230 millions de dollars, en raison principalement de la stabilité de l'économie provinciale;
- des hausses au chapitre des droits et autres recettes s'élevant à 380 millions de dollars;
- une diminution au chapitre des fonds d'amortissement et autres revenus de l'ordre de 145 millions de dollars;
- une hausse des dépenses en général étant donné la demande accrue de ressources.

D'autres analyses des écarts concernant la variation des recettes et des dépenses de 2008-2009 et de 2007-2008 sont présentées plus loin dans le présent rapport.

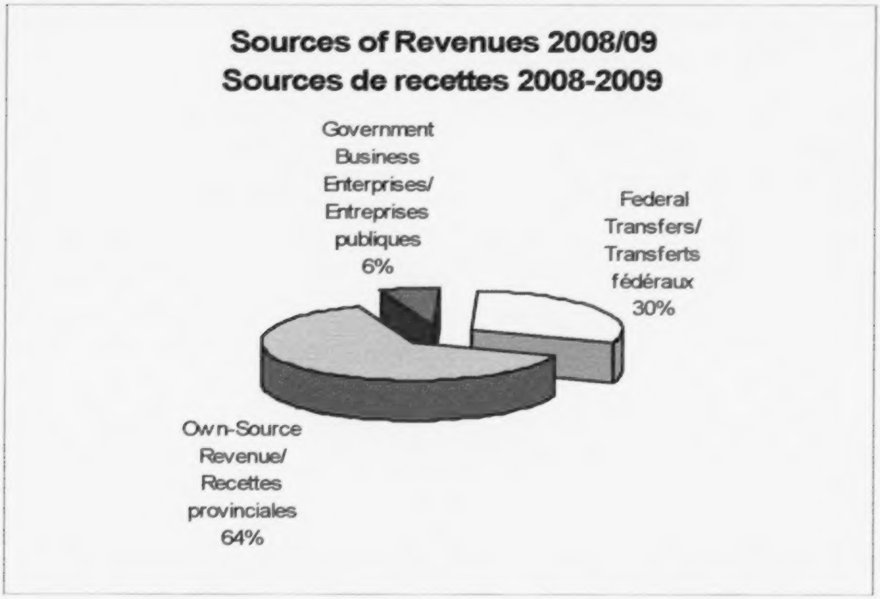
Recettes

L'analyse de la tendance des recettes renseigne les lecteurs sur les principales variations dans les recettes selon les exercices et les sources, et leur permet d'évaluer la performance passée et les possibles implications dans l'avenir.

($ millions)/ (en millions de dollars) **Revenue Source/ Source de recettes**	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008	2006/07 Actual/ Chiffres réels de 2006-2007	2005/06 Actual/ Chiffres réels de 2005-2006	2004/05 Actual/ Chiffres réels de 2004-2005
	$	$	$	$	$
Income taxes/Impôts..............	2,841	2,652	2,441	2,322	2,244
Retail sales tax/ Taxe sur les ventes au détail.......	1,486	1,391	1,277	1,198	1,125
Education property tax/ Impôts fonciers en matière d'éducation............................	657	646	643		
Mining and other taxes/ Taxe minière et autres taxes............	619	662	650	548	572
Levy for health and education/Impôt destiné à l'enseignement et aux services de santé..............................	357	341	318	303	287
Fuel taxes/Taxes sur les carburants............................	229	248	241	236	235
Fees and other revenue/Droits et autres recettes.....................	1,757	1,628	1,493	1,701	1,431
Sinking fund and other investment earnings/Fonds d'amortissement et autres revenus de placement...............	296	384	423	406	464
Net income from government business enterprises/Recettes nettes des entreprises publiques............................	807	947	627	958	679
Federal transfers/Transferts fédéraux..............................	3866	3,597	3,320	3,103	3,156
Total Revenue/ Recettes totales..............................	**12,915**	**12,496**	**11,433**	**10,775**	**10,193**

The Government's main revenue sources for 2008/09 are identified in the chart below. Overall, while there were annual variations by revenue source year over year, revenues have been increasing each year.

Les principales sources de recettes du gouvernement pour 2008-2009 figurent dans le diagramme ci-dessous. Dans l'ensemble, bien qu'il y ait des variations annuelles dans les sources des recettes d'un exercice à l'autre, les recettes augmentent d'exercice en exercice.



Total revenue in 2008/09 was $12,915 million, an increase of 3.4% from 2007/08, as a result of the following:

- Income taxes were $189 million (7.1%) higher due to an increase in in-year entitlements,
- Retail sales tax was $95 million (6.8%) higher due to continued economic growth and strength in the construction sector,
- Fees and other revenue increased by $129 million (7.9%) due to increased economic activity,
- Sinking fund and other investment earnings declined by $88 million (22.9%) because a portion of the sinking fund balance has been utilized for debt payment, and also due to weakening market conditions which has affected the rate of return on investments,
- GBE income declined by $140 million (14.8%), and

Les recettes totales en 2008-2009 ont atteint 12 915 millions de dollars, ce qui représente un bond de 3,4 % par rapport à 2007-2008. Ce bond est attribuable aux faits suivants :

- Le gouvernement a recueilli 189 millions de dollars de plus en impôt ou 7,1 %, en raison d'une hausse des contributions en cours d'année.
- Les taxes de vente au détail ont bondi de 95 millions de dollars ou 6,8 %, grâce à une expansion continue de l'économie et à la vigueur du secteur de la construction.
- Les droits et autres recettes ont grimpé de 129 millions de dollars ou 7,9 %, étant donné l'augmentation de l'activité économique.
- Les fonds d'amortissement et autres revenus de placement ont fléchi de 88 millions de dollars (22,9 %), ce qui s'explique par l'utilisation d'une partie du solde du fonds d'amortissement pour payer la dette, et par la conjoncture économique à la baisse, qui a affecté le taux de rendement des investissements.
- Les recettes des entreprises publiques ont diminué de 140 millions de dollars (14,8 %).

- Federal transfers were $269 million (7.5%) higher resulting from projected increases in Equalization ($237 million) and Canada Health Transfers ($53 million).

- Les transferts fédéraux ont augmenté de 269 millions de dollars (7,5 %) en raison des augmentations projetées au chapitre de la péréquation (237 millions de dollars) et des transferts canadiens en matière de santé (53 millions de dollars).

The revenue to GDP ratio at March 31, 2009 was 25.2%, down 0.7% from the ratio of 25.9% as at March 31, 2008.

Le ratio entre les recettes et le PIB s'établissait à 25,2 % le 31 mars 2009, une baisse de 0,7 % par rapport au ratio de 25,9 % rapporté le 31 mars 2008.

Expenses

Analysis of expenses helps users understand the impact of the Government's spending on the economy, the Government's overall allocation and use of resources, and the cost of Government programs.

Dépenses

L'analyse des dépenses aide les lecteurs à comprendre l'incidence des dépenses du gouvernement sur l'économie, la répartition de l'ensemble de ses recettes et l'usage des ressources, ainsi que le coût des programmes du gouvernement.

Expense by Function

Expense by function provides a summary of the major areas of Government spending, and changes in spending over time.

Dépenses par fonction

Les dépenses par fonction présentent le sommaire des principaux secteurs de dépenses du gouvernement et l'évolution dans les dépenses au fil des ans.

($ millions)/ (en millions de dollars) **Expense by Function/ Dépenses par fonction**	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008	2006/07 Actual/ Chiffres réels de 2006-2007	2005/06 Actual/ Chiffres réels de 2005-2006	2004/05 Actual/ Chiffres réels de 2004-2005
	$	$	$	$	$
Health/Santé	4,586	4,232	3,956	3,809	3,560
Education/Éducation	3,154	3,224	2,948	2,291	2,309
Family Services and Housing/Services à la famille et Logement	1,321	1,224	1,142	1,075	1,020
Community, Economic and Resource Development/Développement des communautés, de l'économie et des ressources	1,582	1,420	1,280	1,526	1,169
Justice and Other Expenditures/Justice et autres dépenses	972	974	829	820	755
Debt servicing/ Service de la dette	830	864	793	860	818
Total Expenses by Function/Dépenses totales	**12,445**	**11,938**	**10,948**	**10,381**	**9,631**

The sources of expenses have remained consistent with the prior year, with the health and education sectors making up 62.2% of total expenses (62.5% in 2007/08).

Les sources des dépenses étaient semblables à celles de l'exercice antérieur. Les secteurs de la santé et de l'éducation ont absorbé 62,2 % des dépenses totales (contre 62,5 % en 2007-2008).

Total expenses in 2008/09 were $12,445 million, an increase of 4.2% from 2007/08, as a result of the following:

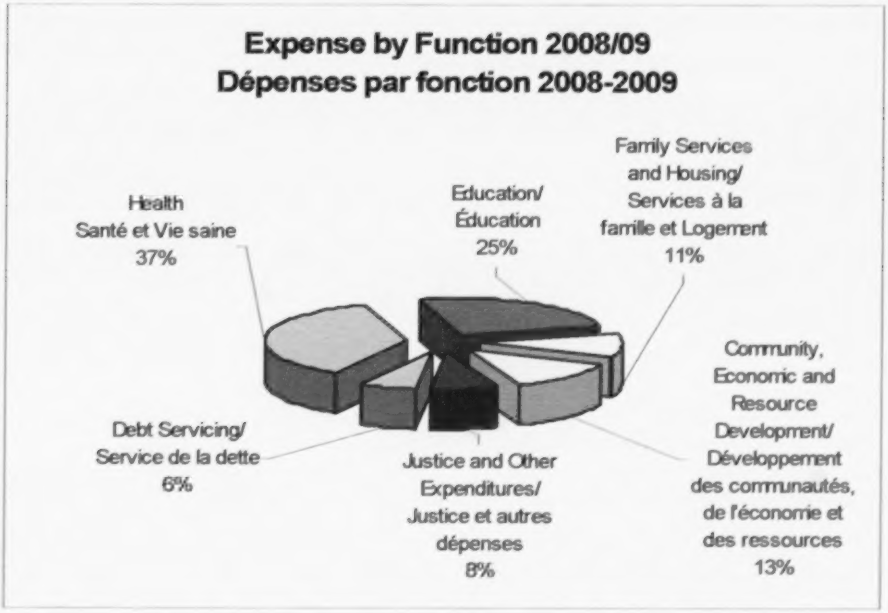
- Health expenses increased 8.4% primarily due to base line funding to Regional Health Authorities,
- Education expenses decreased from the prior year as a result of a new accounting policy that requires any change in the valuation of pension assets to be reported as a reduction in the related pension expense. Previously, changes in the valuation of pension assets were reflected as sinking fund and other investment earnings. This new accounting policy was not applied retroactively,
- Family Services and Housing expenses increased 7.9% primarily due to increases in child maintenance expenditures,
- Community, Economic and Resource Development expenses increased 11.4% due to budgeted increases such as infrastructure programs, and
- Justice and Other Expenses remained consistent with the preceding year.

The following chart shows the Government's operating expenses by function:

Les dépenses totales en 2008-2009 ont atteint 12 445 millions de dollars, réalisant un bond de 4,2 % par rapport à 2007-2008, et ce, en raison des facteurs suivants :

- Les dépenses dans le secteur de la santé ont augmenté de 8,4 %, ce qui s'explique en grande partie par le financement de base aux offices régionaux de la santé.
- Les dépenses dans le secteur de l'éducation ont diminué par rapport à l'exercice précédent en raison d'une nouvelle convention comptable exigeant que tout changement dans la valeur des avoirs de retraite soit rapporté à titre de réduction des charges de retraite afférentes. Auparavant, les changements dans la valeur des avoirs de retraite étaient rapportés à titre de fonds d'amortissement et autres revenus de placement. La nouvelle convention comptable ne s'appliquait pas rétroactivement.
- Les dépenses dans le secteur des services à la famille et du logement ont augmenté de 7,9 %, principalement en raison de l'augmentation des dépenses liées à l'entretien des enfants.
- Les dépenses pour le développement des communautés, de l'économie et des ressources ont grimpé de 11,4 % en raison d'une hausse prévue du budget des programmes d'infrastructure.
- Les dépenses dans le secteur de la justice et des autres dépenses étaient sensiblement les mêmes qu'à l'exercice précédent.

Le diagramme suivant montre les éléments des dépenses de fonctionnement du gouvernement.



Expense by Function 2008/09
Dépenses par fonction 2008-2009

The health, education, and family services and housing components comprise 72.8% of the total operating expenses. Program expenses, which represent total expenses less the cost of servicing debt, increased 4.9% from 2007/08. In 2008/09, total expenses to Gross Domestic Product (GDP) amounted to 24.3% (2007/08 – 23.3%) while program expenses to GDP amounted to 22.7% (2007/08 – 21.6%) of GDP.

The expense ratio (total expenses as a percentage of total revenues) stood at 96.4% in 2008/09. An expense ratio of less than 100 means that revenues have exceeded expenses, resulting in a surplus. In 2004/05, the ratio was 94.5% compared to 96.3% in 2005/06, 95.8% in 2006/07 and 95.5% in 2007/08.

The total program expenses were higher than the 2008/09 budget by $194 million, or 1.7%.

Expense by Type

Expense by type provides a summary of the major types of Government spending, and changes in spending over time.

Les secteurs de la santé, de l'éducation ainsi que des services à la famille et du logement représentent 72,8 % de l'ensemble des dépenses de fonctionnement. Les dépenses des programmes, soit les dépenses totales moins les frais de service de la dette, ont augmenté de 4,9 % depuis 2007-2008. En 2008-2009, les dépenses totales équivalaient à 24,3 % du produit intérieur brut (23,3 % en 2007-2008), tandis que les dépenses des programmes équivalaient à 22,7 % du PIB (21,6 % en 2007-2008).

Le ratio des dépenses (dépenses totales en pourcentage des recettes totales) était de 96,4 % en 2008-2009. Un ratio des dépenses inférieur à 100 signifie que les recettes sont supérieures aux dépenses, et qu'on obtient un excédent. En 2004-2005, le ratio était de 94,5 %, contre 96,3 % en 2005-2006, 95,8 % en 2006-2007 et 95,5 % en 2007-2008.

Le total des dépenses des programmes dépassait les prévisions de 2008-2009 de 194 millions de dollars (1,7 %).

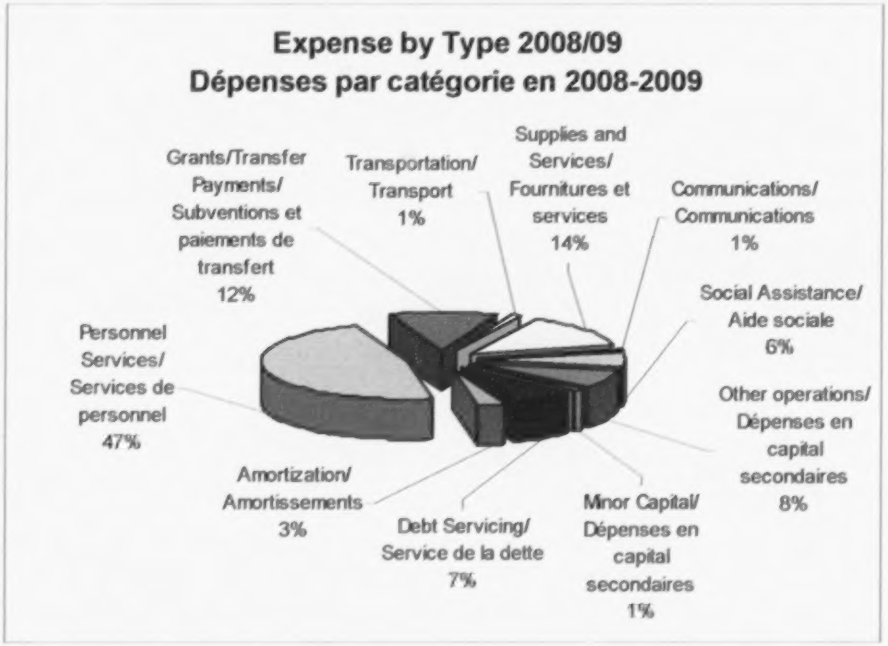
Dépenses par catégorie

Les dépenses par catégorie présentent le sommaire des catégories principales de dépenses du gouvernement et de l'évolution dans les dépenses au fil des ans.

($ millions)/ (en millions de dollars) Expense by Type/ Dépenses par catégorie	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008	2006/07 Actual/ Chiffres réels de 2006-2007	2005/06 Actual/ Chiffres réels de 2005-2006	2004/05 Actual/ Chiffres réels de 2004-2005
	$	$	$	$	$
Personnel Services/Services de personnel..................................	5,874	5,638	5,165	3,705	3,546
Grants/Transfer Payments/ Subventions et paiements de transfert......................................	1,518	1,438	1,091	2,696	2,499
Transportation/Transport..................	149	131	124	101	96
Communications/Communications....	76	74	70	53	55
Supplies and Services/Fournitures et services......................................	1,724	1,629	1,356	1,077	899
Social Assistance/Aide sociale	876	796	744	709	680
Other Operating/Autres dépenses de fonctionnement	943	920	1,190	853	742
Debt servicing/Service de la dette....	830	864	793	860	818
Minor Capital/Dépenses en capital secondaires.................................	80	91	73	61	42
Amortization/Amortissement des immobilisations.............................	375	357	342	266	254
Total Expenses by Type/ Dépenses totales	**12,445**	**11,938**	**10,948**	**10,381**	**9,631**

Expense types by percentage are shown in the following Chart:

Le diagramme suivant montre les catégories de dépense en pourcentage.



The Government's 2008/09 major expenses were personnel services at 47% (2007/08 – 47%), supplies and services at 14% (2007/08 – 14%) and grants/transfer payments at 12% (2007/08 – 12%).

En 2008-2009, les services de personnel ont représenté les principales dépenses du gouvernement, soit 47 % des dépenses (contre 47 % aussi en 2007-2008), les fournitures et services ont représenté 14 % (contre 14 % en 2007-2008) et les subventions et paiements de transfert équivalaient à 12 % des dépenses (contre 12 % en 2007-2008).

Financial Assets

Actifs financiers

Analysis of financial assets provides users with information regarding the amount of resources available to the Government that can be converted to cash, if required, to discharge existing liabilities or to finance future operations.

L'analyse des actifs financiers renseigne les lecteurs sur le montant de ressources du gouvernement pouvant être converti en liquidités au besoin pour s'acquitter de ses présentes obligations ou financer des activités futures.

($ millions)/
(en millions de dollars)

Financial Assets/ Actifs financiers	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008	2006/07 Actual/ Chiffres réels de 2006-2007	2005/06 Actual/ Chiffres réels de 2005-2006	2004/05 Actual/ Chiffres réels de 2004-2005
	$	$	$	$	$
Cash, cash equivalents, short term investments/Espèces, quasi-espèces, placements à court terme...................	1,968	2,199	2,460	1,267	1,408
Temporary investments/Placements temporaires....................................	689	586	246	323	267
Accounts receivable and advances/Créances et avances..........	1,110	1,177	1,109	885	906
Inventories/Stocks...........................	11	10	11	9	5
Portfolio investments/Placements de portefeuille..	2,174	4,492	3,494	3,683	3,538
Loan and advances/Prêts et avances...	595	565	574	585	626
Equity in government business enterprises/Valeur des entreprises publiques..	2,189	2,697	1,933	1,740	1,224
Other long-term investments/Autres placements à long terme...................	9	8	8	6	5
Total Financial Assets/Total des actifs financiers............................	**8,745**	**11,734**	**9,835**	**8,498**	**7,979**

Financial assets declined by $2,989 million or 25.5% from 2007/08. Cash, cash equivalents and short term investments decreased by $231 million or 10.5% from 2007/08 due to cash accumulated and borrowed in the last half of 2007/08 being utilized in 2008/09. Portfolio investments declined by $2,318 million, or 51.6%, from 2007/08 reflecting a reclassification of portfolio investments held for pension reduction being netted against the outstanding pension liability. Equity in GBEs

Les actifs financiers ont reculé de 2 989 millions de dollars (25,5 %) par rapport à 2007-2008. Les espèces, quasi-espèces et placements à court terme ont fléchi de 231 millions de dollars (10,5 %) depuis 2007-2008 en raison de l'accumulation et de l'emprunt d'espèces dans la seconde moitié de 2007-2008 et dont on s'est servi en 2008-2009. Les placements de portefeuille ont chuté de 2 318 millions de dollars (51,6 %) depuis 2007-2008, en raison d'une reclassification des placements de

represents 25.0% of 2008/09 financial assets; a decrease of $508 million, or 18.8%, from 2007/08. This decrease results from strong earnings achieved in the GBEs offset by decreases in equity due to the accounting for other comprehensive losses recorded by the GBEs. Portfolio investments earned $118 million, (2007/08 - $140 million). The decrease of $22 million was due primarily to lower balances maintained in the portfolio investments and declining rates of return.

portefeuille détenus en vue de la réduction de la pension, qu'on a déduits de l'obligation découlant des régimes de retraite. La valeur des entreprises publiques représente 25,0 % des actifs financiers de 2008-2009, une baisse de 508 millions de dollars (18,8 %) par rapport à 2007-2008. Cette baisse s'explique par les gains importants réalisés par les entreprises publiques et est compensée par une diminution de la valeur due à la comptabilisation d'autres pertes importantes rapportées par les entreprises publiques. Les placements de portefeuille ont rapporté 118 millions de dollars (140 millions de dollars en 2007-2008). La diminution de 22 millions de dollars est due principalement à des soldes moins élevés rapportés et à des taux de rendement à la baisse.

Liabilities

An analysis of liabilities provides users with information to understand and assess the demands on financial assets. Liabilities consist of debt or obligations owing, to be repaid with cash or other assets.

Passifs

Une analyse des passifs permet aux lecteurs de comprendre et d'évaluer les pressions qui s'exercent sur les actifs financiers. Les passifs sont les dettes et les obligations à assumer au moyen de liquidités ou d'autres actifs.

($ millions)/ (en millions de dollars) **Liabilities/ Passifs**	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008	2006/07 Actual/ Chiffres réels de 2006-2007	2005/06 Actual/ Chiffres réels de 2005-2006	2004/05 Actual/ Chiffres réels de 2004-2005
	$	$	$	$	$
Borrowings/Emprunts …………………	14,664	14,555	13,443	12,730	12,611
Accounts payable and accrued liabilities/ Créditeurs et charges à payer………………………………	3,146	2,937	2,710	2,407	2,347
Deferred revenues/ Recettes différées……………………	409	350	327	349	341
Pension liability/ Obligation découlant des régimes de retraite……………………………	2,003	4,470	4,192	4,000	3,763
Other liabilities/Autres obligations....	21	21	20	20	18
Total Liabilities/ Total des passifs ……………………	**20,243**	**22,333**	**20,692**	**19,506**	**19,080**

The 2008/09 total liabilities decreased $2,090 million or 9.4% from 2007/08. Borrowings have increased $109 million or 0.7% from 2007/08. The pension liability balance decreased by $2,467 million or 55.2% from 2007/08, reflecting a reclassification of portfolio investments held for pension reduction being netted against the outstanding pension liability. Restricted inflows, recorded as deferred revenues, increased by $59 million or 16.9% and accounts payable and accrued

Le total des passifs en 2008-2009 a fléchi de 2 090 millions de dollars (9,4 %) par rapport à 2007-2008. Les emprunts ont augmenté de 109 millions de dollars (0,7 %) en un an. Le solde afférent à l'obligation découlant des régimes de retraite a chuté de 2 467 millions de dollars (55,2 %) depuis 2007-2008, en raison d'une reclassification des placements de portefeuille détenus en vue de la réduction de la pension, qu'on a déduits de l'obligation découlant des liabilities increased by $209 million or 7.1% from 2007/08.

Debt servicing costs reached $830 million (2007/08 - $864 million) as at March 31, 2009, a decrease of 3.9%. As explained on page 93, the gross amount of debt servicing costs declined to a level of $1,280 million, (2007/08 - $1,316 million) when GBEs' adjustments are included.

Pension Liability

In recognition of the need for a long-term strategy to address the Government's pension liability, Budget 2000 included a comprehensive approach to address both debt and pension obligations. Like any long-term strategy, there will be ups and downs in returns on investment. Although market volatility had a negative impact on the market value of the Government's pension assets in 2008/09, annual returns for recent past years have been well above ideal industry averages of 5% to 7% and benchmarks established through industry standards.

Global economic uncertainty and extraordinary market volatility defined the financial environment during 2008/09. Though overall Manitoba was able to maintain stable economic performance during these difficult times, these extraordinary market conditions did result in negative annual returns for its investments during the period, including its pension assets.

The Province uses a diversified, conservative investment approach to mitigate the risk of volatile market conditions on its investments and operating results. It recognizes changes in market value over the service life of employees, consistent with Canadian generally accepted accounting principles. This method of accounting for market changes allows the Province to smooth gains and losses over several years.

régimes de retraite. Les rentrées de fonds restreintes, inscrites à titre de recettes différées, ont augmenté de 59 millions de dollars (16,9 %), tandis que les créditeurs et charges à payer ont augmenté de 209 millions de dollars (7,1 %) par rapport à 2007-2008.

Les frais de service de la dette ont atteint 830 millions de dollars (864 millions de dollars en 2007-2008), un recul de 3,9 %. Comme la page 93 l'indique, le montant brut des frais de service de la dette a été porté à 1 280 millions de dollars (1 316 millions de dollars en 2007-2008) une fois les rajustements touchant les entreprises publiques pris en compte.

Obligation découlant des régimes de retraite

Reconnaissant le besoin de mettre en place une stratégie à long terme pour régler la question de l'obligations découlant des régimes de retraite, le gouvernement a présenté, dans le Budget de l'an 2000, un plan global visant à s'attaquer à la dette et à l'obligation découlant des régimes de retraite. Comme pour toutes les stratégies à long terme, il y aura des hauts et des bas dans les rendements du capital investi. Bien que la volatilité des marchés financiers ait eu un effet négatif sur la valeur marchande de l'actif des régimes de retraite du gouvernement en 2008-2009, les rendements annuels des dernières années ont été bien supérieurs aux moyennes idéales de 5 à 7 % de l'industrie et aux repères établis en se basant sur les normes de l'industrie.

L'incertitude économique mondiale et l'extraordinaire volatilité des marchés ont caractérisé l'environnement financier au cours de l'exercice 2008-2009. Bien que dans l'ensemble, le Manitoba ait réussi à maintenir une performance économique stable pendant ces moments difficiles, les circonstances extraordinaires auxquelles ont été soumis les marchés ont fait que les rendements annuels du capital investi par le gouvernement ont été négatifs pendant cette période, y compris pour l'actif des régimes de retraite.

La Province a adopté une approche conservative dans le choix de ses investissements, qu'elle a aussi voulu diversifiés, afin de limiter les risques liés à la volatilité des marchés, et cela, tant pour protéger ses investissements que ses résultats d'exploitation. Elle reconnaît les changements de valeur marchande au cours des années de service des employés, conformément aux principes comptables généralement reconnus au Canada. Cette méthode tenant compte des changements du marché permet à la Province de lisser les gains et les pertes sur plusieurs années.

Notwithstanding the impact of market shifts on the operating results of the Province, pension benefits are not affected because all the pension plans that it sponsors are defined benefit plans. Under these types of plans, pension benefits are determined using a formula which is linked to the employee's salary. Benefits are not linked to the market value of investments or recent investment returns.

Further information on the status of pension plan assets is provided in the 2008/09 notes to the Public Accounts, page 86, and Schedule 7, page 105.

Net Debt and Accumulated Deficit

Net debt is the difference between the Province's liabilities and financial assets. It represents the amount of liabilities to be funded from future revenues and taxation. Operating losses, investments in tangible capital assets or other non-financial assets all increase net debt. Net debt is decreased by operating net income or decreases in the value of net tangible capital assets and other non-financial assets. As at March 31, 2009, net debt was $11,498 million, $899 million or 8.5% higher than the prior year.

The accumulated deficit has decreased by $2,221 million, or 31.2%, over the last five years, as a result of the growing economy, prudent fiscal management, the inclusion of school divisions, and changes in accounting policies affecting the equity in the GBEs. In 2008/09, the accumulated deficit increased by $311 million, or 6.8%, from the prior year primarily as a result of the other comprehensive losses experienced by the GBEs in 2008/09.

Malgré les effets qu'ont eues les variations du marché sur les résultats d'exploitation de la Province, les prestations de retraite n'en subissent pas les répercussions, car tous les régimes de retraite que la Province offre sont à prestations déterminées. Selon ces régimes, les prestations de retraite se calculent en fonction du salaire de l'employé concerné. Elles ne sont pas liées à la valeur marchande des investissements ni aux récents rendements du capital investi.

Vous trouverez plus de renseignements sur l'état de l'actif des régimes de retraite dans les notes accompagnant les Comptes publics de 2008-2009, page 86, et à l'Annexe 7, page 105.

Dette nette et déficit accumulé

La dette nette est la différence entre les passifs de la Province et ses actifs financiers. Elle représente la somme des passifs à financer à même les recettes et les impôts à venir. Les pertes résultant des activités ainsi que les investissements dans les immobilisations corporelles et les autres biens non financiers s'ajoutent tous à la dette nette. La dette nette diminue en fonction des revenus nets provenant des activités ou des baisses de la valeur des immobilisations corporelles nettes et d'autres actifs non financiers. Au 31 mars 2009, la dette nette s'élevait à 11 498 millions de dollars, soit 899 millions de dollars ou 8,5 % de moins qu'à la fin de l'exercice antérieur.

Le déficit accumulé a diminué de 2 221 millions de dollars (31,2 %) au cours des cinq dernières années, en raison de la croissance de l'économie, d'une gestion budgétaire prudente, de l'inclusion des divisions scolaires et des changements apportés aux conventions comptables concernant la valeur des entreprises publiques. En 2008-2009, le déficit accumulé s'est accru de 311 millions de dollars (6,8 %) par rapport à l'exercice précédent, principalement en raison des autres pertes importantes rapportées par les entreprises publiques en 2008-2009.

($ millions)/ (en millions de dollars) **Net Debt and Accumulated Deficit/ Dette nette et déficit accumulés**	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008	2006/07 Actual/ Chiffres réels de 2006-2007	2005/06 Actual/ Chiffres réels de 2005-2006	2004/05 Actual/ Chiffres réels de 2004-2005
	$	$	$	$	$
Financial assets/ Actifs financiers…………………	8,745	11,734	9,835	8,498	7,979
Less: liabilities/ Moins : les passifs………………	(20,243)	(22,333)	(20,692)	(19,506)	(19,080)
Total Net Debt/Dette nette……	**(11,498)**	**(10,599)**	**(10,857)**	**(11,008)**	**(11,101)**
Non-financial assets/Actifs non financiers………………………	6,594	6,006	5,371	4,233	3,976
Total Accumulated Deficit/ Total du déficit accumulé…...	**(4,904)**	**(4,593)**	**(5,486)**	**(6,775)**	**(7,125)**

Non-Financial Assets

An analysis of non–financial assets provides users with information to assess changes in the Government's infrastructure and long–term non–financial assets.

Actifs non financiers

Une analyse des actifs non financiers permet aux lecteurs d'apprécier l'évolution des infrastructures et des actifs non financiers à long terme du gouvernement.

($ millions)/ (en millions de dollars) **Non-Financial Assets/ Actifs non financiers**	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008	2006/07 Actual/ Chiffres réels de 2006-2007	2005/06 Actual/ Chiffres réels de 2005-2006	2004/05 Actual/ Chiffres réels de 2004-2005
	$	$	$	$	$
Tangible capital assets/Immobilisations corporelles………………………………	6,520	5,934	5,309	4,180	3,926
Prepaid expenses/Charges payées d'avance……………………………	38	36	31	22	19
Inventories/Stocks……………………..	36	36	31	31	31
Total Non-financial Assets/Total des actifs non financiers……………………	**6,594**	**6,006**	**5,371**	**4,233**	**3,976**

Non–financial assets typically represent resources that the Government can use in the future to provide services, such as tangible capital assets. The management of non–financial assets has a direct impact on the level and quality of services a government is able to provide to its citizens.

Les actifs non financiers, comme les immobilisations corporelles, sont généralement des ressources que le gouvernement peut utiliser dans l'avenir pour fournir des services. La gestion des actifs non financiers a des répercussions directes sur le niveau et la qualité de services qu'un gouvernement est en mesure de fournir à sa population.

At March 31, 2009, non–financial assets were $588 million higher, or 9.8%, than 2007/08. The majority of the Government's non–financial assets represent expenditures for tangible capital assets. New acquisitions of tangible capital assets totaled $978 million for 2008/09 ($1,027 for 2007/08). These capital acquisitions include investments in the post–secondary education, health facilities and transportation sectors.

En date du 31 mars 2009, les actifs non financiers présentaient une hausse de 588 millions de dollars, soit 9,8 %, par rapport à ceux de 2007-2008. La plus grande partie des actifs non financiers du gouvernement provient de dépenses en immobilisations corporelles. Les nouvelles acquisitions d'immobilisations corporelles totalisaient 978 millions de dollars en 2008-2009 (1 027 millions de dollars en 2007-2008). Ces acquisitions d'immobilisations comprennent des investissements dans les secteurs de l'enseignement postsecondaire, dans les établissements de santé et dans les transports.

Tangible Capital Assets

An analysis of tangible capital assets helps users understand whether the Government has the ability to provide services in future periods.

Immobilisations corporelles

Une analyse des immobilisations corporelles aide les lecteurs à connaître la capacité du gouvernement de fournir des services au cours de périodes à venir.

($ millions)/ (en millions de dollars) **Tangible Capital Assets/ Immobilisations corporelles**	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008	2006/07 Actual/ Chiffres réels de 2006-2007	2005/06 Actual/ Chiffres réels de 2005-2006	2004/05 Actual/ Chiffres réels de 2004-2005
	$	$	$	$	$
Land/Terrains..................................	203	191	154	79	74
Building and leasehold improvements/Améliorations des immeubles et améliorations locatives.....	2,885	2,688	2,535	1,877	1,717
Vehicles and equipment/Véhicules et équipement....................................	596	580	525	450	432
Computer hardware and software/Matériel informatique et logiciels..	253	224	230	214	208
Assets under construction/Actifs en chantier..	487	423	361	345	304
Infrastructure/Infrastructure....................	2,096	1,828	1,504	1,215	1,191
Total Tangible Capital Assets/Total des immobilisations corporelles...........	**6,520**	**5,934**	**5,309**	**4,180**	**3,926**

Commencing in 2006/07, the Government's policy is to capitalize the gross cost of its tangible capital assets. Recoveries related to capital projects, from other governments, are recognized as revenue in the year a tangible capital asset is purchased. Otherwise recoveries are deferred and recognized as revenue over the life of the asset. The 2005/06 balances have not been restated on a comparable basis. In accordance with the recommendations of PSAB, the value of Crown land transferred to the Province is not reported as

Depuis 2006-2007, la politique du gouvernement consiste à inscrire au bilan le coût brut de ses immobilisations corporelles. Les sommes récupérées liées aux projets d'immobilisation provenant d'autres gouvernements sont inscrites comme des recettes au cours de l'exercice où les immobilisations corporelles sont achetées. Les autres sommes récupérées sont reportées et inscrites comme des recettes pendant la durée de vie de l'immobilisation. Les soldes de 2005-2006 n'ont pas été ajustés sur une base comparable.

tangible capital assets.

The net book value (cost less accumulated amortization) of tangible capital assets is a major asset of the Province, totaling $6,520 million at the end of 2008/09 (2007/08 - $5,934 million). The buildings and leasehold improvements asset class includes a large portion of tangible capital assets pertaining to provincially owned schools, health facilities, and public service buildings. Infrastructure assets include roads, water control structures and parks.

The investment in tangible capital assets in total has remained reasonably consistent with the prior year. The net annual investment increased by $586 million in 2008/09 (2007/08 - $625 million increase). In 2008/09, the Government invested $203 million in buildings and leasehold improvements, $17 million for vehicles and equipment, and $329 million for infrastructure projects. Infrastructure projects include $186 million in transportation-related projects, such as road grading and surfacing and $143 million in assets under construction, such as costs relating to the construction of the Red River Floodway Expansion including bridges and structures.

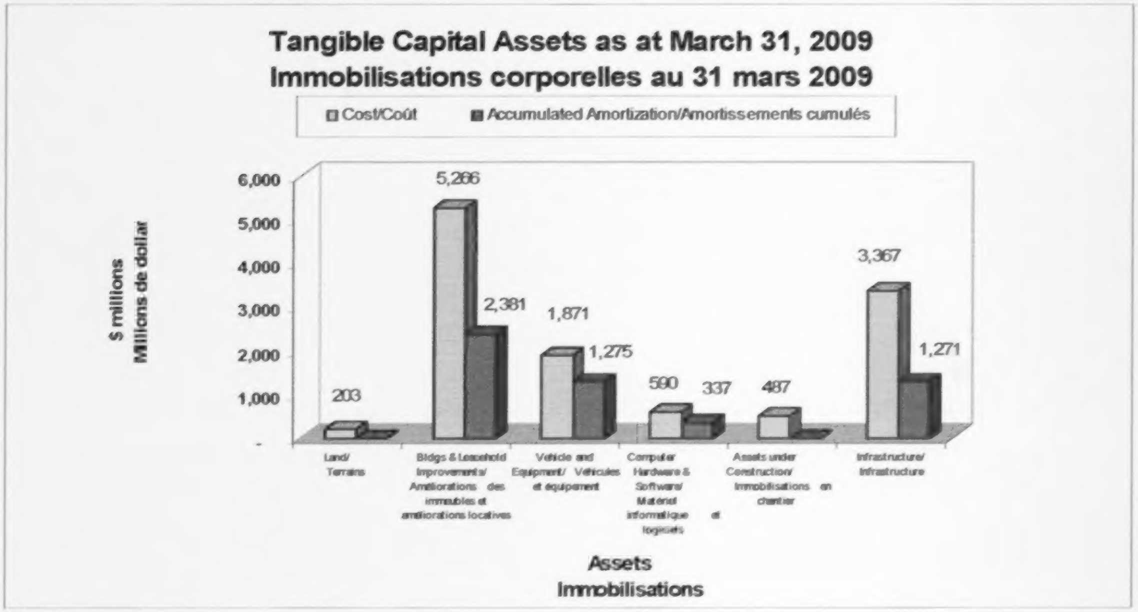
The total cost of tangible capital assets has also increased steadily, from $7,246 million in 2004/05 to $11,784 million in 2008/09, demonstrating the value of tangible capital assets that are available to provide services in future periods. The following chart of tangible capital assets shows these assets by class and their related accumulated amortization as at March 31, 2009.

Conformément aux recommandations du Conseil de la comptabilité dans le secteur public, la valeur des terres de la Couronne transférées à la Province n'est pas comprise dans les immobilisations corporelles.

La valeur comptable nette (coût moins les amortissements cumulés) des immobilisations corporelles constitue un des principaux actifs de la Province et représentait 6 520 millions de dollars à la fin de 2008-2009 (5 934 millions de dollars en 2007-2008). La catégorie Améliorations des immeubles et améliorations locatives est formée en grande partie par les immobilisations corporelles des écoles, des établissements de santé et des immeubles de services publics qui appartiennent à la Province. La catégorie Infrastructure comprend les routes, les ouvrages de régularisation des eaux et les parcs.

Dans l'ensemble, l'investissement en immobilisations corporelles est relativement semblable à celui de l'exercice précédent. L'investissement annuel net s'est accru de 586 millions de dollars en 2008-2009 (contre 625 millions de dollars en 2007-2008). En 2008-2009, le gouvernement a investi 203 millions de dollars en améliorations des immeubles et en améliorations locatives, 17 millions de dollars en véhicules et en équipement et 329 millions de dollars en projets d'infrastructure, répartis comme suit : 186 millions de dollars pour des travaux dans le secteur des transports, comme le nivellement et le pavage des routes, et 143 millions de dollars dans des actifs en chantier, notamment dans des éléments liés aux travaux d'agrandissement du canal de dérivation de la rivière Rouge, y compris des ponts et des structures.

Les immobilisations corporelles s'accroissent également de façon constante. Elles sont passées de 7 246 millions en 2004-2005 à 11 784 millions en 2008-2009, ce qui témoigne de la valeur des immobilisations corporelles utiles à la prestation de services aux cours de périodes à venir. Le diagramme suivant présente les immobilisations corporelles par catégorie et leurs amortissements cumulés respectifs au 31 mars 2009.



Tangible Capital Assets as at March 31, 2009
Immobilisations corporelles au 31 mars 2009

GLOSSARY OF KEY TERMS /GLOSSAIRE DE TERMES-CLÉS

Borrowings: Borrowings are securities issued in the name of the Province to capital markets investors. Securities include debentures, treasury bills, promissory notes, medium-term notes and Manitoba Savings Bonds.	**Emprunts :** valeurs ou titres émis au nom de la Province et vendus aux investisseurs des marchés financiers. On compte parmi ces titres des débentures, des bons du Trésor, des billets à ordre, des obligations à moyen terme et des obligations d'épargnes du Manitoba.
Consolidation Impacts: The adjustments needed to bring the revenue and expenditure of the Other Reporting Entities into the Summary Budget, and to eliminate transactions between entities to avoid duplication of revenues and expenses (e.g. a government grant is counted as an expenditure of Core Government and is eliminated from the revenue of the Other Reporting Entity).	**Incidences de la consolidation :** ajustements nécessaires pour inclure les recettes et les dépenses des autres entités comptables dans le Budget sommaire, et pour éliminer les transactions entre entités dans le but d'éviter la comptabilisation double des recettes et des dépenses (par exemple, une subvention publique figure comme dépense dans les opérations fondamentales du gouvernement et est éliminée dans les recettes d'autres entités comptables).
Core Government: A component of the GRE. Represents the operations of government, including the revenues directly under government's control, and the programs and services delivered by government departments.	**Opérations fondamentales du gouvernement :** composante du périmètre comptable du gouvernement. Il s'agit des opérations du gouvernement, y compris les recettes qui sont directement sous le contrôle du gouvernement, ainsi que les programmes et les services fournis par ses ministères.
Crown Organization: An organization in the GRE that is wholly owned or established by government, such as a Crown corporation (e.g. Manitoba Agricultural Services Corporation).	**Organisation de la Couronne :** organisation du périmètre comptable qui a été établie par le gouvernement ou dont il a la propriété exclusive, par exemple une société d'État comme la Société des services agricoles du Manitoba.
Debt Servicing Cost: Interest and other expenses associated with provincial borrowings.	**Frais de service de la dette :** intérêts et autres dépenses liés aux emprunts provinciaux.
Financial Assets: Assets of the Province such as cash, investments, loans and accounts receivable that could be readily converted to cash in order to pay the Province's liabilities or finance its future operations.	**Actifs financiers :** actifs de la Province (exemples : encaisse, investissements, prêts et débiteurs) qui pourraient facilement être convertis en liquidités afin de faire face aux obligations de la Province ou pour financer ses activités futures.
Generally Accepted Accounting Principles (GAAP): Standard accounting practices and reporting guidelines as prescribed by The Canadian Institute of Chartered Accountants.	**Principes comptables généralement reconnus (PCGR) :** pratiques comptables normalisées et lignes directrices pour la présentation de l'information financière, prescrites par l'Institut Canadien des Comptables Agréés.

Government Business Enterprises (GBEs): A Crown organization delegated with the financial and operating authority to carry on a business. It sells goods or services to individuals and organizations outside the GRE and can maintain its business on those revenues.

Entreprise publique : organisation de la Couronne qui est investie des pouvoirs financiers et administratifs nécessaires pour mener des activités commerciales. Elle vend des biens ou offre des services à des particuliers ou à des organismes non compris dans le périmètre comptable du gouvernement et elle peut poursuivre ses activités au moyen de ses recettes.

Government Reporting Entity (GRE): Includes Core Government and Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges.

Périmètre comptable du gouvernement : inclut les opérations fondamentales du gouvernement, les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges.

Gross Domestic Product (GDP): Represents the total market value of all final goods and services produced in the Manitoba economy.

Produit intérieur brut (PIB) : valeur marchande totale de tous les biens et services finals produits par l'économie manitobaine.

Guarantees: The Province, in the normal course of business, may provide a guarantee to honour the repayment of debt or loans of an organization, primarily GBEs. Such a guarantee is provided on the Manitoba Hydro Savings Bonds.

Garanties : la Province, dans le cours normal de ses activités, peut garantir le remboursement des dettes ou des emprunts engagés par des organismes, c'est-à-dire principalement des entreprises publiques. De telles garanties sont fournies pour les obligations d'épargnes Hydro Bonds du Manitoba.

Net Debt to GDP Ratio: The ratio of government net debt relative to the total market value of all final goods and services produced in the Manitoba economy. Net debt represents the total liabilities of the government less its financial assets. It is widely used by credit rating agencies and other analysts to evaluate the financial situation and trends of jurisdictions in regards to their relative creditworthiness.

Rapport dette nette–produit intérieur brut (PIB) : dette nette de la Province par rapport à la valeur marchande totale de tous les biens et services finals produits par l'économie manitobaine. La dette nette est le total du passif de l'État moins ses actifs financiers. Les agences de notation et autres analystes s'en servent couramment pour apprécier la conjoncture financière d'un État et l'évolution de sa capacité à faire face à ses engagements financiers.

Non-Financial Assets: Includes physical items such as tangible capital assets (e.g. buildings and roads) and consumable goods such as inventories that are not normally converted to cash.

Actifs non financiers : actifs ayant une existence matérielle, notamment les immobilisations corporelles (par exemple les immeubles et les routes) et les biens consommables tels que les stocks qui ne sont pas normalement convertis en liquidités.

Other Comprehensive Income (OCI): Other comprehensive income is an accounting recognition of unrealized gains and losses in fair market value of financial instruments, such as investments held as available for sale or trading or debt held in a foreign currency. Currently, OCI accounting standards apply only to other reporting entities, except not-for-profit organizations. It is measured as the change in "mark-to-

Autres éléments du résultat étendu : prise en compte des gains et des pertes non réalisés calculés selon la juste valeur marchande de l'instrument financier, par exemple, un actif financier susceptible de vente ou une dette en devise étrangère. À l'heure actuelle, les normes comptables concernant les autres éléments du résultat étendu s'appliquent uniquement aux autres entités comptables, à l'exception des organismes à but non

market" valuations, interest rates, or foreign exchange rates at year end, and therefore is a one-day snapshot of the change in value when compared to the same day in the previous year.

lucratif. Les autres éléments du résultat étendu sont mesurés d'après la variation des évaluations à la valeur du marché, des taux d'intérêt et des taux de change en fin d'exercice et constituent, par conséquent, un aperçu ponctuel de la variation d'une valeur donnée par comparaison avec la valeur à la même date l'année antérieure.

Other Reporting Entities: Entities in the GRE such as Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges that are directly or indirectly controlled by the Government, as prescribed by PSAB – excludes Core Government.

Autres entités comptables : entités du périmètre comptable du gouvernement comme les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges qui sont directement ou indirectement sous le contrôle du gouvernement, comme le prescrit le Conseil sur la comptabilité dans le secteur public. Exclut les opérations fondamentales du gouvernement.

Pension Liability: Outstanding actuarial-calculated pension liability of the government and participating Crown organizations. The expense includes amounts funded through the appropriations of Core Government as well as for the actuarially determined increases in the pension liability.

Obligation découlant des régimes de retraite : valeur actuarielle de l'obligation non réglée découlant des régimes de retraite du gouvernement et des organisations de la Couronne participantes. La dépense comprend les fonds provenant des crédits relatifs aux opérations fondamentales du gouvernement et l'augmentation, déterminée à l'aide de calculs actuariels, de l'obligation découlant des régimes de retraite. Le gouvernement du Manitoba soutient huit régimes de retraite distincts.

Summary Net Debt: Represents the total liabilities of the GRE less its financial assets. This is the residual amount that will have to be paid or financed by future revenue.

Dette nette sommaire : total des passifs du périmètre comptable du gouvernement moins ses actifs financiers. Il s'agit du solde des passifs qu'il faudra payer ou financer à l'aide de recettes futures.

Tangible Capital Assets: Assets with a useful life extending beyond one year which are acquired, constructed or developed and held for use, not for resale.

Immobilisations corporelles : immobilisations dont la durée de vie utile s'étend au-delà de l'exercice et qui sont acquises, construites ou développées, et qui sont destinées à être utilisées plutôt que vendues.

SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED

March 31, 2009

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STATEMENT OF RESPONSIBILITY

The summary financial statements are prepared under the direction of the Minister of Finance in accordance with the stated accounting policies of the Government reporting entity and include summary statements of financial position, revenue and expense, accumulated deficit, change in net debt, cash flow, notes and schedules integral to the statements. Together, they present fairly, in all material respects, the financial condition of the Government reporting entity at the fiscal year end and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

The Government is responsible for the integrity and objectivity of the summary financial statements. In the preparation of these statements, estimates are sometimes necessary because a precise determination of certain assets, liabilities, revenues and expenses is dependent on future events. The Government believes such estimates have been based on careful judgements and have been properly reflected in the summary financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Provincial Comptroller, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with *The Financial Administration Act*.

The Auditor General expresses an independent opinion on these financial statements. Her report, stating the scope of her audit and opinion, appears on the following page.

These financial statements are tabled in the Legislature. They are referred to the Standing Committee on Public Accounts, which reports to the Legislature on the results of its examination together with any recommendations it may have with respect to the financial statements and accompanying audit opinion.

On behalf of the Government of the Province of Manitoba.

Betty-Anne Pratt, CA
Provincial Comptroller

August 14, 2009

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITOR'S REPORT
Summary Financial Statements for the Government Reporting Entity
Province of Manitoba

To the Legislative Assembly of the Province of Manitoba

We have audited the Consolidated Statement of Financial Position of the Province of Manitoba as at March 31, 2009 and the Consolidated Statements of Revenue and Expense, Accumulated Deficit, Change in Net Debt and Cash Flow for the year then ended. These financial statements are the responsibility of the Government of Manitoba. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these Summary Financial Statements for the Government Reporting Entity present fairly, in all material respects, the financial position of the Province of Manitoba as at March 31, 2009 and the results of its operations and its cash flow for the year then ended, in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
August 14, 2009

Carol Bellringer, FCA, MBA
Auditor General

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2009

SCHEDULE		($ millions) 2009	2008
	FINANCIAL ASSETS		
	Cash and cash equivalents (Note 2)	1,968	2,199
	Temporary investments (Note 2)	689	586
1	Amounts receivable	1,110	1,177
	Inventories for resale	11	10
	Portfolio investments (Note 3)	2,174	4,492
2	Loans and advances	595	565
3	Equity in government business enterprises (Note 4)	2,189	2,697
4	Other long-term investments	9	8
	Total Financial Assets	8,745	11,734
	LIABILITIES		
5	Borrowings	14,664	14,555
6	Accounts payable, accrued charges, provisions and unearned revenue	3,576	3,308
7	Pension liability (Note 5)	2,003	4,470
	Total Liabilities	20,243	22,333
	NET DEBT	(11,498)	(10,599)
	NON-FINANCIAL ASSETS		
	Inventories	36	36
	Prepaid expenses	38	36
8	Tangible capital assets	6,520	5,934
	Total Non-Financial Assets	6,594	6,006
	ACCUMULATED DEFICIT	(4,904)	(4,593)

Contingencies (Note 6)
Contractual Obligations (Note 7)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
For the Year Ended March 31, 2009

	2009 Budget ($ millions)	2009 Actual ($ millions)	2008 Actual ($ millions)
REVENUE			
Income taxes:			
Corporation income tax	299	386	367
Individual income tax	2,312	2,455	2,285
Other taxes:			
Retail sales tax	1,469	1,486	1,391
Fuel taxes	227	229	248
Levy for health and education	344	357	341
Mining tax	128	46	100
Education property tax	654	657	646
Other taxes	498	573	562
Fees and other revenue	1,377	1,757	1,628
Federal transfers:			
Equalization	2,063	2,063	1,826
Canada Health and Canada Social Transfers	1,224	1,263	1,210
Shared cost and other	619	540	561
Net income from government business enterprises (Schedule 3)	668	807	947
Sinking funds and other investment earnings	441	296	384
TOTAL REVENUE (Schedules 10 and 11)	12,323	12,915	12,496
EXPENSES			
Health and Healthy Living	4,371	4,586	4,232
Education	3,249	3,154	3,224
Family Services and Housing	1,331	1,321	1,224
Community, Economic and Resource Development	1,478	1,582	1,420
Justice and Other Expenditures	992	972	974
Debt Servicing (Note 8)	806	830	864
TOTAL EXPENSES (Schedules 10 and 11)	12,227	12,445	11,938
NET INCOME FOR THE YEAR	96	470	558

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCUMULATED DEFICIT
For the Year Ended March 31, 2009

	($ millions)		
	2009		2008
	Budget	Actual	Actual
Opening accumulated deficit, as previously reported	(4,193)	(4,193)	(5,104)
Restatements (Note 9)			
Environmental liabilities	-	(393)	(393)
Pension restatement	-	(19)	(2)
Correction on presentation of education grants	-	12	-
Other	-	-	13
Opening accumulated deficit, as restated	(4,193)	(4,593)	(5,486)
Adoption of accounting policy on financial instruments	-	-	(23)
Other Comprehensive Income (Loss) (Schedule 3)	-	(781)	358
Net Income for the year	96	470	558
Closing accumulated deficit, as restated	(4,097)	(4,904)	(4,593)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31, 2009

	($ millions)		
	2009		2008
	Budget	Actual	Actual
Net Income for the year	96	470	558
Tangible Capital Assets			
Acquisition and reclassification of tangible capital assets	(586)	(978)	(1,027)
Amortization of tangible capital assets	-	375	359
Disposal of tangible capital assets	-	17	43
Net Acquisition of Tangible Capital Assets	(586)	(586)	(625)
Other Non-Financial Assets			
Increase in inventories	-	-	(5)
Increase in prepaid expenses	-	(2)	(5)
Net Acquisition of Other Non-Financial Assets	-	(2)	(10)
Adoption of accounting policy on financial instruments	-	-	(23)
Other Comprehensive Income (Loss) (Schedule 3)	-	(781)	358
(Increase) Decrease in Net Debt	(490)	(899)	258
Net Debt, beginning of year, as restated (Note 9)	(10,432)	(10,599)	(10,857)
Net Debt, end of year	(10,922)	(11,498)	(10,599)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended March 31, 2009

	($ millions) 2009	2008
Cash and cash equivalents provided by (used in)		
Operating Activities		
Net Income for the year	470	558
Changes in non-cash items:		
Temporary investments	(103)	(323)
Amounts receivable	57	(61)
Valuation allowance	(22)	(3)
Inventories	(1)	(3)
Prepaids	(2)	(5)
Accounts payable, accrued charges, provisions and deferrals	268	249
Pension liability	(225)	278
Amortization of foreign currency fluctuation	6	6
Amortization of debt discount	(7)	(4)
Unamortized gains and losses on derivative contracts	(22)	(3)
Loss on disposal of tangible capital assets	17	43
Amortization of tangible capital assets	375	359
	811	1,091
Adoption of accounting policy on financial instruments	-	(23)
Other Comprehensive Income (Loss)(Schedule 3)	(781)	358
Changes in equity in government business enterprises	508	(766)
Cash provided by operating activities	538	660
Capital Activities		
Acquisition of tangible capital assets	(978)	(1,027)
Cash used in capital activities	(978)	(1,027)
Investing Activities		
Investments purchased	(1,427)	(2,398)
Investments sold or matured	1,452	605
Cash provided by (used in) investing activities	25	(1,793)
Financing Activities		
Debt issued	4,031	3,720
Debt redeemed	(3,847)	(1,821)
Cash provided by financing activities	184	1,899
(Decrease) in cash and cash equivalents	(231)	(261)
Cash and cash equivalents, beginning of year	2,199	2,460
Cash and cash equivalents, end of year	1,968	2,199

The accompanying notes and schedules are an integral part of these financial statements.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the Year Ended March 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

A. General Basis of Accounting

The summary financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for senior governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

B. The Government Reporting Entity

Various funds, Crown organizations (Crowns) and government business enterprises (GBEs) comprising the Government Reporting Entity (GRE) are listed in Schedule 9.

To be considered a part of the GRE, an organization must be controlled by the Government. Control, as defined by PSAB, is the power to govern the financial and operating policies of another organization with expected benefits or the risk of loss to the Government from the other organization's activities.

C. Basis of Consolidation

Crowns are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the GRE. Inter-entity accounts and transactions are eliminated upon consolidation, except for retail sales tax and the levy for health and education. The value of the levy for health and education, paid by Crowns and departments, amounts to $97 million (2008 - $90 million). Where the fiscal year-end dates of Crowns are not the same as that of the GRE, and their transactions significantly affect the financial statements, their financial results are updated to March 31.

GBEs, whose principal activity is carrying on a business, maintain their accounts in accordance with accounting principles which are generally accepted for business enterprises and which are considered appropriate to their individual objectives and circumstances. They derive the majority of their revenue from sources outside the GRE. They are reported in these summary financial statements using the modified equity method of accounting. Under the modified equity method, the original investment of the Government, in GBEs, is initially recorded at cost and adjusted annually to include the net earnings/losses and other net equity changes of these enterprises, without adjusting their accounting policies to a basis consistent with that of the GRE.

The financial results of GBEs are not updated to March 31, where their fiscal year end is not the same as that of the GRE, except when transactions which, would significantly affect the summary financial statements, occur during the intervening period. Inter-entity accounts and transactions with GBEs are not eliminated. Supplementary financial information describing the financial position and results of operations of these enterprises is presented in Schedule 3.

The CICA's Accounting Standards Board has announced that effective January 1, 2011 Canadian publicly accountable enterprises will adopt International Financial Reporting Standards, as issued by the International Accounting Standards Board. The Province of Manitoba is not required to adopt these standards; however the summary financial statements could be affected by this change to the extent GBEs, which are included in the financial statements on a modified equity basis, are impacted. The Government is currently assessing the potential impact of these changes.

D. Basis of Specific Accounting Policies

(i) Gross Accounting Concept

Revenues and expenses are recorded as gross amounts with the following exceptions:

(1) Refunds of revenue are treated as reductions of current year revenue.

(2) Decreases in valuation allowances are treated as reductions to expense.

(3) Recoveries of the debt servicing costs on self-sustaining debt of GBEs are recorded as a reduction of debt servicing expense.

(ii) Revenues

(1) Government transfers

Transfer payments from the Government of Canada include all accruals determined before June 15 each year for current year entitlements that have been authorized by March 31, for which any eligibility criteria have been met and that can be reasonably estimated.

(2) Individual and corporation income tax

The Government's share of individual and corporation income tax is recorded based upon cash receipts to March 31 plus an accrual of adjustments determined before June 15 each year.

(3) Other revenue

All other revenues are recorded on an accrual basis except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

(iii) Expenses

(1) Accrual accounting

All expenses incurred for goods or services received are recorded on an accrual basis.

Expenses include provisional amounts recorded in anticipation of costs, which are quantifiable and have been identified as obligations.

(2) Government transfers

Government transfers are recognized as expenses in the period in which the transfer is authorized and any eligibility criteria are met and the amounts can be reasonably estimated.

(iv) Financial Assets

(1) Loans, advances and long-term investments

Loans, advances and long-term investments are recorded at cost less valuation allowances. A valuation allowance is provided to reduce the value of the assets to their estimated realizable value or to reflect the impact of significant concessionary terms on outstanding loans. Valuation allowances are made when collection is considered doubtful or when the value of the investment is impaired. Premiums that may arise from the early repayment of loans or advances are reflected as deferred revenue and are amortized monthly to debt servicing expense over the term of the related debt issue.

Investments denominated in foreign currency are translated to the Canadian dollar equivalent, at the exchange rate in effect at March 31, unless the rate of exchange or a forward foreign exchange contract fixing the value has been negotiated, in which case that rate or amount is used. The year end investment translation adjustments reflecting the foreign currency fluctuation between year ends are amortized monthly over the remaining life of the investment and are included with debt servicing expense. Expenses and other transaction charges incurred on the purchase of investments during the year are charged to debt servicing expense. Those expenses incurred in foreign currency are translated at the exchange rate in effect on the transaction date. Gains and losses on terminated derivative contracts are deferred and amortized on a straight-line basis over the remaining term of the contract.

(2) Inventories for resale

Inventories held for resale are recorded at the lower of cost and net realizable value.

(v) Liabilities

(1) Borrowings

All borrowings are expressed in Canadian dollars and are shown net of unamortized debt issue costs and debt of the Government held as provincial investments. Foreign borrowings are converted at the exchange rate in effect at March 31, adjusted for any forward foreign exchange contract entered for settlement after the fiscal year end. Discounts or premiums, and commissions incurred at the time of the issue of debt are amortized monthly to debt servicing expense over the term of the debt.

The year end translation adjustments, reflecting the foreign currency fluctuation from the value at the issue date, are recorded through the unamortized foreign currency fluctuation account and amortized monthly to debt servicing expense over the remaining term of the debt. The unamortized portion of foreign currency fluctuation also reflects the gains or losses on the conversion of foreign currency debt called prior to maturity using the rates in effect at the time of the call. These gains or losses are amortized over the original remaining term of the debt or over the term of the replacement issue, whichever is shorter.

Premiums paid on interest rate options are amortized monthly starting from the date the income is received over the period of the applicable agreement. If the option is exercised, the premium is amortized over the period from the date of receipt to the maturity date of the agreement. If the option is not exercised, any unamortized premium will be immediately taken into revenue. Gains and losses on terminated derivative contracts are deferred and amortized on a straight-line basis over the remaining term of the contract.

(2) Pension liability

The Government accounts for employee pension plans by recognizing a liability and an expense in the reporting period in which the employee has provided service using the accrued benefit actuarial cost method, except as disclosed in Note 5. The value of plan assets is determined using a moving average fair value method. Under this method, fair value is the underlying basis, with any excess (or shortfall) of investment return over (or below) the expected long-term rate being amortized over a five year period. When actual experience varies from actuarial estimates, for both the accrued benefit obligation and plan assets, the difference is amortized over the expected average remaining service life of the related employee group. Past service costs from plan amendments are recognized in full in the year of the amendment.

(3) Other future employee benefit obligations

The amount of the liabilities for severance, Long Term Disability Income Plan liability and workers compensation claims are based upon actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations because actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses for the severance liability are amortized over the expected average remaining service life of the related employee group. Actuarial gains and losses for the Long Term Disability Income Plan and the workers compensation claims are recognized as they arise.

(4) Guarantees

Guarantees by the Government are made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit, mortgages and other securities. Provision for losses on guarantees are recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of future payments less recoveries.

(5) Environmental liabilities

Effective for the 2005/06 fiscal year, the Government adopted an accounting policy regarding the recognition and measurement of environmental liabilities. An environmental liability for contaminated sites is recorded when contamination is identified, and when the Government is obligated, or likely to become obligated, to incur remediation costs due to reasons of public health and safety, contractual arrangements, or compliance with environmental standards which are set out in any act or regulation (federal, provincial, municipal) recognized by the Government. The liability is based upon remediation costs determined on a site-by-site basis, measured as incremental direct costs, reduced by estimated recoveries from third parties, and discounted, where possible, to reflect the time value of money.

For past liabilities arising from contaminations or obligating events on or before March 31, 2005, there is a transition period (April 1, 2006 to March 31, 2009) to identify and record such liabilities. These liabilities are recorded as an increase to the accumulated deficit until March 31, 2009. Subsequent to that, any past liability not previously recorded or sufficiently provided for is recorded as an expense.

For liabilities arising from contaminations or obligating events occurring after March 31, 2005, the amounts are recorded as an expense when identified.

(vi) Non-Financial Assets

(1) Recognition and measurement

In the public sector, recognition and measurement of tangible capital and other non-financial assets are based on their service potential. Generally, such assets do not generate future net cash inflows. Therefore, these assets will not provide resources to discharge the liabilities of the Government. For non-financial assets, the future economic benefit consists of their capacity to render service to fulfill the Government's objectives.

(2) Inventories

Inventories held for resale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date. Inventories held for use are classified as non-financial assets.

(3) Prepaid expenses

Prepaid expenses are payments for goods or services which will provide economic benefits in future periods. The prepaid amount is recognized as an expense in the year the goods or services are used or consumed.

(4) Tangible capital assets

The cost of tangible capital assets purchased includes the purchase price as well as costs such as installation costs, design and engineering fees, survey and site preparation costs and other costs incurred to put the asset into service. The cost of tangible capital assets constructed by the Government includes all direct construction costs such as materials, labour, design, installation, engineering, architectural fees, and survey and site preparation costs, as well as overhead costs directly attributable to the construction activity such as licenses, inspection fees, indirect labour costs, and amortization expense of any equipment which was used in the construction project. Any carrying cost associated with the development and construction of tangible capital assets is included for projects whose cost exceeds $20 million.

A tangible capital asset received as a donation is recorded at its fair market value with the same amount being shown as deferred revenue. This deferred revenue is amortized to revenue on the same basis as the asset is amortized.

Where the acquisition cost of a tangible capital asset is shared with other governments, under a shared cost agreement, such contributions are recorded as revenue.

Certain assets, which have historical or cultural value, including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

Intangible assets and items inherited by right of the Crown, such as Crown lands, forests, water and other mineral resources are not recognized in Government financial statements.

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

General Tangible Assets:	
Land	Indefinite
Buildings and Leasehold Improvements	
Buildings	10 to 60 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 years
Aircraft and vessels	5 to 24 years
Machinery, equipment and furniture	3 to 20 years
Maintenance and road construction equipment	15 years
Computer hardware, software licences	4 to 15 years
Infrastructure Assets:	
Land	Indefinite
Land Improvements	30 years
Transportation	
Bridges and Structures	40 years
Provincial Highways, Roads and Airstrips	10 to 40 years
Dams and Water Management Structures	40 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is put into service.

E. Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of individual and corporate income taxes, Canada Health Transfer and Canada Social Transfer entitlements, accruals for pension obligations, accruals for environmental obligations, allowances for doubtful loans and advances and provision for losses on guarantees.

The nature of the uncertainty related to the accrual of health and social transfer payments from the Federal Government and individual and corporate income taxes arises because of the possible differences between the estimates for the economic factors used in calculating the accruals and actual economic results. The uncertainty related to accruals for pension obligations arises because actual results may differ significantly from the Government's best estimates of expected results based on variables such as earnings on the pension investments, salary increases and the life expectancy of claimants. The uncertainty related to the accrual of environmental obligations is based upon the identification of all sites where environmental damages have occurred that are the Government's responsibility to mitigate and the quantification of what the actual liability will be based upon impact studies. Uncertainty concerning the allowance for doubtful loans and advances is based upon actual collectibility and changes in economic conditions.

While management's best estimates have been used for reporting items subject to measurement uncertainty, it is possible that changes in future conditions in the near term could require a material change in the valuation of the reported amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

2. CASH, CASH EQUIVALENTS AND TEMPORARY INVESTMENTS

	($ millions)	
	2009	**2008**
Cash and cash equivalents	1,740	1,633
Uninvested portion of sinking funds held in cash and cash equivalents	228	475
Uninvested portion of pension assets held in cash and cash equivalents	-	91
	1,968	2,199
Temporary investments	689	586

Cash and cash equivalents include cash and short term investments that can be converted to cash. Cash and cash equivalents are recorded at cost, which approximates market value. All cash equivalents have terms to maturity of less than 90 days. Investment revenue earned on cash equivalents during the year was $45 million (2008 - $76 million).

Temporary investments are recorded at cost, which approximates market value. Temporary investments consist of investments with financial institutions, primarily Government bonds. All of the securities had terms to maturity of less than one year. Investment revenue earned on the temporary investment funds during the year was $19 million (2008 - $20 million).

3. PORTFOLIO INVESTMENTS

	($ millions) 2009	2008
Pension assets	-	2,151
Sinking funds	2,051	2,282
Other investments	66	59
Unamortized termination losses on derivative contracts	57	-
	2,174	4,492

Portfolio investments are recorded at the lower of cost or net realizable value. As at March 31, 2009, the market value of portfolio investments was $2,230 million (2008 - $4,559 million). Portfolio investments earned $118 million during the year (2008 - $140 million). During the period the Government changed the trust conditions of the funds held in its pension asset fund to clarify that these funds are irrevocably restricted for pension purposes only. As a result of this restriction, these funds are now able to be recognized as pension assets under this plan and are presented net of the outstanding pension obligation.

Sinking Funds

Section 60 of *The Financial Administration Act* authorizes the Minister of Finance to provide for the creation and management of sinking funds for the orderly retirement of debt. The Government's sinking fund currently provides for the repurchase of foreign debt and the pre-funding of maturing debt issues. The sinking fund is invested principally in securities issued or guaranteed by federal and provincial governments. Sinking funds are invested in fixed income securities as follows:

	($ millions) 2009		2008	
	Book Value	Fair Value	Book Value	Fair Value
Government of Canada, direct and guaranteed	233	245	276	282
Provincial, direct and guaranteed	1,528	1,566	1,602	1,641
Municipal	202	212	200	213
Corporate	88	84	204	213
	2,051	2,107	2,282	2,349

Sinking funds are recorded at cost and are written down to market value only in those cases where the losses in value are other than a temporary decline. Investment revenue earned on the sinking funds during the year was $117 million (2008 - $135 million).

The presentation of Province of Manitoba debt issues held as investments, as shown on Schedule 5, was corrected to exclude debt issued on behalf of GBEs, which the Province holds as investments. As a result of this restatement, both portfolio investments and borrowings increased by $1,026 million (2008 - $1,039 million). There is no impact on accumulated deficit or net debt as a result of this correction.

The sinking funds are allocated as follows:

	($ millions) 2009	2008
Core Government	2,264	2,745
Crown Organizations	15	12
Total sinking funds	2,279	2,757
Less: Uninvested portion of sinking funds held in cash and cash equivalents	(228)	(475)
Total sinking funds held in portfolio investments	2,051	2,282

4. EQUITY IN GOVERNMENT BUSINESS ENTERPRISES

The GBEs that are included in the summary financial statements are listed in Schedule 9 and are classified as follows:

Category	Definition
Utility	An enterprise which provides public utility services for a fee.
Insurance	An enterprise which provides insurance coverage services to the public for a fee.
Finance	Enterprises which provide regulatory control and are revenue generating or enterprises which use economy of scale to deliver goods and services to the public.

Included in the equity in GBEs are equities, which are restricted for use by provincial legislation and thereby not available to discharge Government liabilities or to finance other Government programs. The equity in GBEs is comprised of:

	($ millions) 2009	2008
Restricted Equity in Government Business Enterprises:		
Manitoba Hydro-Electric Board	1,951	2,127
Manitoba Public Insurance Corporation	162	299
Workers Compensation Board	62	258
	2,175	2,684
Unrestricted Equity in Government Business Enterprises:		
Manitoba Lotteries Corporation	5	5
Manitoba Public Insurance Corporation	9	8
	14	13
Equity in Government Business Enterprises	2,189	2,697

The operating results and financial position of each GBE category are reported in Schedule 3.

5. PENSION PLANS

The Government participates in various pension plans. The two primary plans, in which the Government directly participates, are the Civil Service Superannuation Plan, and the Teachers' Pension Plan. As per the Acts that administer these plans, the Government is responsible for 50% of pension benefits earned by employees. The Government's pension liability reflects its share of the actuarial present values of pension benefits attributed to services rendered by employees and former employees, net of any plan assets which are set aside by the Government in an irrevocable trust. As of March 31, 2009, the pension liability for the Civil Service Superannuation Plan was $1,197 million (2008 - $1,899 million) and the pension liability for the Teachers' Pension Plan was $725 million (2008 - $2,490 million).

Other pension plans in which the Government participates include the Members of the Legislative Assembly Plan, the Legislative Assembly Pension Plan, the Judges' Supplemental Pension Plan and the Winnipeg Child and Family Services Employee Benefits Retirement Plan. The Government is responsible for any excess of accrued pension benefits over pension fund assets.

The Government also includes several other pension plans in its pension liability. These other plans include post-secondary education pension plans and public school divisions' pension plans. Post-secondary education pension plans include the University of Manitoba Pension Plans, the University of Winnipeg Pension Plan and the Brandon University Retirement Plan. Public school divisions' pension plans include the Winnipeg School Division Pension Fund for Employees Other Than Teachers, Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division and Retirement Plan for Employees of Frontier School Division.

Employees in the health sector are members of the Health Care Employees Pension Plan, a multi-employer defined benefit pension plan established between employees and participating boards. Because the Government does not sponsor this plan, the annual net benefit plan expense is the amount of required contributions provided for employees' services rendered during the year. The accrued benefit liability of this plan is not recognized in these financial statements. During the year, the Government expensed contributions to this plan of $101 million (2008 - $90 million).

As at March 31, 2009, the total pension liability being reflected in the summary financial statements was $2,003 million (2008 - $4,470 million). Details related to the pension liability are provided in Schedule 7. The following provides general information on the contributions and benefit formulae of the various pension plans, which are included in this schedule.

A. Civil Service Superannuation Plan

The Civil Service Superannuation Act (CSSA) established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government through the Civil Service Superannuation Fund (CSSF).

The lifetime pension calculation equals 2% of a member's best five-year average yearly pensionable earnings multiplied by pensionable service, minus 0.4% of the average Canada Pension Plan (CPP) earnings multiplied by pensionable service since January 1, 1966.

The CSSA requires employees to contribute 6.0% of pensionable earnings up to the CPP maximum pensionable earnings, and 7.0% on pensionable earnings above the maximum. 89.8% of employee contributions are used to fund basic benefits and 10.2% of employee contributions are allocated to funding indexing benefits. The Government funds 50% of the monthly pension retirement benefits paid to retirees. Indexing benefits are not guaranteed and are paid only to the extent that the indexing adjustment account in CSSF can finance one-half of the cost-of-living increases granted. The maximum annual adjustment is limited by legislation to two-thirds of the increase in the Consumer Price Index for Canada.

During the period the Government changed the trust conditions of the funds held in its pension asset fund to clarify that these funds are irrevocably restricted for pension purposes only. As a result of this restriction, these funds are now able to be recognized as pension assets, as presented in Schedule 7.

B. Teachers' Pension Plan

The Teachers' Pensions Act (TPA) established a defined benefit plan to provide pension benefits to teachers who have taught in public schools in Manitoba.

The lifetime pension calculation is generally based upon 2% of a member's average salary of the best 5 of the final 12 years of service (best 7 prior to July 1, 1980) multiplied by pensionable service, minus the years of service multiplied by 0.6% of the annual salary up to the yearly maximum pensionable earnings. The pension amount is subject to a maximum of 70% of the average annual salary used above.

The TPA requires that teachers contribute 6.8% of pensionable earnings up to the CPP maximum earnings, and 8.4% of pensionable earnings above the maximum. 83.4% of teacher's contributions are used to fund basic benefits and 16.6% of teachers contributions are allocated for indexing benefits. The Government funds 50% of the monthly pension retirement benefits paid to retirees.

Indexing benefits are not guaranteed and are paid only to the extent that the indexing adjustment account in Teachers' Retirement Allowances Fund can finance one half of the cost-of-living increases granted. The maximum annual adjustment is limited by legislation to two-thirds of the increase in the Consumer Price Index for Canada.

During the period the Government changed the trust conditions of the funds held in its pension asset fund to clarify that these funds are irrevocably restricted for pension purposes only. As a result of this restriction, these funds are now able to be recognized as pension assets, as presented in Schedule 7.

C. Other Government Plans

(i) Members of the Legislative Assembly Plan

The pension plan for Members of the Legislative Assembly (MLAs) is established and governed by *The Legislative Assembly Act* (LAA).

For MLAs elected prior to the dissolution of the Assembly of the 35th Legislature, the LAA provides for defined pension benefits based on years of service to April 1995. The calculation for defined pension benefits is equal to 3% of the average annual indemnities for the last five years served as a member or all the years served; if less than five, multiplied by the number of years of pensionable service up to April 1995. These entitlements are fully indexed to cost of living increases.

For those elected after the 35th Legislature in April 1995, the LAA provides for matching contributions. Under the matching contributions provisions, MLAs may contribute up to 7% of their remuneration toward a Registered Retirement Savings Plan (RRSP) of their choice. The Government matches the member's contributions on a current basis; consequently, there is no liability for past service benefits under this component of the plan. In the event that a member withdraws money from the RRSP, while an active member of the Legislative Assembly, the Government's contribution would be refundable.

(ii) Legislative Assembly Pension Plan

The Members' Retirement Benefits Regulation of *The Legislative Assembly Act* established a defined benefit plan, effective April 1, 2004 that provides pension benefits to eligible MLAs who elect to participate in the plan.

The pension benefits accumulate up to a maximum period of 35 years at 2% per year of pensionable service based upon the average of the best five-year annual salaries, reduced by an amount equal to 0.25% times the number of months before the member's 60th birthday that the first pension payment is made. These entitlements are indexed to 2/3 of cost of living increases.

Active members must contribute 7% of their earned salary to the plan. The Government makes contributions as necessary to ensure the pension fund has sufficient assets to cover the monthly pension payments to retirees as well as ensuring there are sufficient funds to cover any of the plans liabilities. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

(iii) Judges' Supplemental Pension Plan

Manitoba Provincial Court Judges and Masters are members of the Civil Service Superannuation Fund; however, they also receive enhanced pension benefits under the Manitoba Provincial Court Judges and Masters' Supplemental Pension Plan. These supplemental pension benefits for judges were determined to be the difference between the total pension benefits for judges, including the amendments introduced by Judicial Compensation Committees, and the formula pension available under *The Civil Service Superannuation Act* (CSSA) as described above in Note 5A.

The supplemental pension is generally based upon an accrual rate of 3% for each year of service, as a judge, up to a maximum of 23.5 years, reduced by the pension provided under the CSSA. The combined total of Judges' Supplemental Pension and Civil Service Superannuation Pension is subject to a maximum of 70% of earnings. These enhanced benefits are entirely funded by the Government.

(iv) Winnipeg Child and Family Services Employee Benefits Retirement Plan

Established effective December 29, 2003, the Winnipeg Child and Family Services Employee Benefits Retirement Plan (WCFSP) applies to employees of the former Winnipeg Child and Family Services Agency, who transferred to the Department of Family Services and Housing.

The lifetime pension calculation equals 2% of the member's highest average pensionable earnings in any three non-overlapping periods of 12 consecutive months, less 0.6% of the average CPP earnings for the same period multiplied by years of pensionable service. Indexing payments are subject to approval by the Trustees, subject to increases in the Consumer Price Index.

Members are required to contribute 4.5% of pensionable earnings up to the CPP maximum and 6% on pensionable earnings over the maximum. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

D. Other Pension Plans

(a) Post-Secondary

(i) University of Manitoba Pension Plan

The University of Manitoba administers The University of Manitoba Pension Plan (1970), The University of Manitoba Pension Plan (1993), and The University of Manitoba GFT Pension Plan (1986). These are trusteed pension plans. The Trustees are responsible for the custody of the plans' assets and issuance of annual financial statements.

University of Manitoba Pension Plan (1993) is a money purchase plan with a defined benefit minimum. The funding for the plan requires a matching contribution from the University and the employees. The plan is not indexed.

The University of Manitoba Pension Plan (1970) operates as a defined contribution or money purchase arrangement for service since 2003. Certain members retain an entitlement to a hybrid formula for the service prior to 2003, similar to the 1993 Plan.

The University of Manitoba GFT Pension Plan (1986) is a defined contribution pension plan; therefore there is no requirement for an actuarial valuation of this plan.

(ii) University of Winnipeg Pension Plan

The University of Winnipeg administers the University of Winnipeg Pension Plan (UWPP), which is comprised of a defined benefit segment and a defined contribution segment. The assets of the Plan are held in trust by independent custodians.

The UWPP was established as a contributory defined benefit pension plan at September 1, 1972 and covers all eligible employees of the University, except those who are members of the United Church of Canada Pension Plan. The funding for the plan requires a matching contribution from the University and the employees.

Since December 31, 2000, when the defined contribution segment of the Plan was introduced, approximately one-quarter of the eligible members converted to that plan. The obligation for pension benefits under the defined contribution segment of the Plan will always be equal to net assets in each member's account. Therefore, no surplus or deficiency arises from fluctuations in the investment market.

(iii) Brandon University Retirement Plan

Brandon University administers the Brandon University Retirement Plan, which is a trusteed pension plan. The Trustees are responsible for the custody of the Plan's assets and issuance of annual financial statements.

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established April 1, 1974 for the benefit of the employees of Brandon University. The funding for the plan requires a matching contribution from the University and the employees.

(b) Public School Divisions

(i) The Winnipeg School Division Pension Fund for Employees Other Than Teachers

The Winnipeg School Division Pension Fund for Employees Other Than Teachers is a defined benefit pension plan for employees that meet specified employment conditions. The fund was created by By-law 196 of the Winnipeg School Division (replaced by By-law 1017 on January 1, 1992) and is subject to the applicable regulations.

The pension calculation is based on an amount equal to 1.6% of a member's average pensionable salary and 2.0% of a member's average salary over the pensionable salary, multiplied by a member's years of pensionable service. The average salary is determined by averaging the best five years of employment salary in the last twelve years of service.

Employee contributions equal 6.5% of pensionable salary and 7.8% of the earnings in excess of pensionable salary up to the yearly maximum pensionable earnings, effective January 1, 2008. The percentages changed to 7.0% and 8.2% respectively, effective January 1, 2009. The Winnipeg School Division matches employee contributions and pays an additional 27.4% of employee contributions less the amount needed to finance the Disability Income Plan benefits (approximately 10%). As a result, employer contributions equal approximately 117.4% of employee contributions.

(ii) Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division

The St. James-Assiniboia School Division Retirement Plan for Non-teaching Employees is a defined benefit pension plan that was established on January 1, 1978 and is subject to the applicable regulations.

The pension calculation is based on an amount equal to 1.4% of a member's average employment earnings below CPP earnings and 2.0% of a member's employment earnings in excess of the CPP earnings, multiplied by a member's years of contributory service. The average employment earnings are determined by averaging the best six years of employment earnings in the last twelve years of service.

Employee contributions equal 5.7% of CPP earnings and 7.3% of the employment earnings in excess of CPP earnings. The St. James-Assiniboia School Division matches employee contributions.

(iii) Retirement Plan for Employees of Frontier School Division

The Frontier School Division Retirement Plan is a defined benefit pension plan for non-teaching employees.

The pension benefit is based on an amount equal to 2.0% of a member's best average earnings, multiplied by a member's years of credited service. The average employment earnings are determined by averaging the best five years of employment earnings in the last ten years of service.

Employee contributions equal 6.0% of CPP earnings, with the Frontier School Division matching employee contributions. The Frontier School Division is responsible for the balance of the pension cost, of which a portion can be financed by an allocation from pension surplus.

E. Government Business Enterprises

Manitoba Hydro-Electric Board, Manitoba Liquor Control Commission, Manitoba Public Insurance Corporation and Manitoba Lotteries Corporation are members of the CSSF. The net pension liabilities for these GBEs are disclosed in Schedule 3.

6. CONTINGENCIES

A. Contingent Liabilities

i) Legal Actions

The Government has been named in various legal actions. No provision has been made at March 31, 2009 in the accounts where the final results are uncertain.

ii) Northern Development Projects

The Government is contingently liable for legal claims associated with past Manitoba Hydro-Electric Board (Hydro) related northern development projects. The outcome of these claims is not determinable at this time.

Hydro is party to an agreement dated December 16, 1977, with Canada, the Province of Manitoba and the Northern Flood Committee Inc., representing the five First Nations in the communities of Cross Lake, Nelson House, Norway House, Split Lake and York Landing. This agreement, in part, provides for compensation and remedial measures necessary to ameliorate the impacts of the Churchill River diversion and the Lake Winnipeg Regulation projects. Comprehensive settlements have been reached with all communities except Cross Lake.

In recognition of all anticipated payments, Hydro has recorded a total liability of $120 million (2008 - $127 million). Reassessments of these liabilities will be made as settlements are achieved. There are other mitigation issues, the outcomes of which are not determinable at this time.

iii) Canadian Blood Services

The majority of provincial and territorial governments of Canada, including Manitoba, are members of, and provide funding to, Canadian Blood Services, which operates the Canadian blood system. The March 31, 2009 audited financial statements of Canadian Blood Services indicate that a wholly owned subsidiary, CBS Insurance Company Limited, provides for the contingent liabilities for risks related to operations of the blood system. The actuarially determined provisions for future insurance claims, reported and unreported, related to insured events that occurred prior to March 31, 2009 is $232 million (2008 - $223 million). The related assets as at March 31, 2009 total $273 million (2008 - $282 million). The subsidiary also had a re-insurance contract for additional coverage of $750 million.

Based upon the above, the Government's share of the provision for future claims as at March 31, 2009 is offset with designated assets, which at that point exceed the provision. In addition, there is re-insurance to cover an additional $750 million in claims of insured events occurring on or before March 31, 2009. The Government is not aware of any proceedings that could lead to a claim against it given the existing arrangement in place.

iv) Treaty Land Entitlement Obligations

To meet the Government's obligation under treaty land entitlement agreements, approximately 441,068 acres of provincial Crown lands have been transferred to the Federal Government for First Nations. The Government's obligations under the treaty land entitlement agreements require the setting aside of 1,414,337 acres of Crown lands. To date, 958,392 acres have been selected by the Entitlement First Nations. The Crown lands will be transferred according to the Natural Resources Transfer Agreement, and the transfer will include mines and minerals and other interests normally reserved for the Government, under *The Crown Land Act* or any other statute.

v) Environmental Issues

The Manitoba Hydro-Electric Board will incur future costs associated with the assessment and remediation of contaminated lands and for the phase-out and destruction of polychlorinated biphenyl contaminated mineral oil from electrical equipment. A reasonable estimate of the associated costs cannot be made at this time.

B. Loan Guarantees

The Government has guaranteed the repayment of debt, promissory notes, bank loans, lines of credit, mortgages and securities held by others. Debt guaranteed by the Government is guaranteed, as to principal and interest, until the debt is matured or redeemed. The authorized limits and the outstanding guarantees are summarized as follows:

	Authorized Limit	**($ millions)**	
		2009	**2008**
Canada Mortgage and Housing Corporation Mortgages	1	-	-
Manitoba Business Start Program	5	2	2
Manitoba Agricultural Services Corporation (Note 6B.a)	-	65	68
Manitoba Student Aid Program (Note 6B.b)	20	5	5
Manitoba Housing and Renewal Corporation (Note 6B.c)	-	5	6
Rural Entrepreneur Assistance Program (Note 6B.d)	16	10	7
Rural Municipality of Richot	1	1	1
		88	89
Manitoba Grow Bonds	-	4	5
Total guarantees outstanding		92	94

A provision for future losses on guarantees in the amount of $21 million (2008 - $21 million) has been recorded in the accounts. The provisions for losses on guaranteed loans are determined by a review of individual guarantees. The provision represents the best estimate of probable claims against the guarantees. Where circumstances indicate the likelihood of claims arising, provisions are established for those loan guarantees.

Manitoba HydroBonds Guarantees

The Government guarantees Manitoba HydroBonds. Outstanding bonds as at March 31, 2009 totalled $398 million (2008 - $345 million). The bonds carry fixed and variable coupon rates that range from 2.4% to 4.65%. Manitoba HydroBonds are redeemable at the option of the holder.

Note 6B.a) Manitoba Agricultural Services Corporation

The Manitoba Agricultural Services Corporation has guaranteed loans under the following programs:

Program	General Terms and Conditions
Operating Credit Guarantee	Each participating lending institution is guaranteed 25% of the respective value of loans made under this program.
Manitoba Livestock Associations Loan Guarantees	Each association is guaranteed 25% of the loan to a maximum guarantee of $1 million.
Diversification Loan Guarantee Program	Each participating lender is guaranteed 25% of the loan made for the diversification or farm value-added activities, to a maximum individual guaranteed loan allowable of $3 million.
Enhanced Diversification Loan Guarantee Program	Eliminated lender pooling of guarantees and the maximum of $3 million for qualifying loans.

Note 6B.b) Manitoba Student Aid Program

The Government guarantees three types of student loans, issued in the past thirteen years, as follows:

Loan type	Nature of loan
Guaranteed loans	Issued by the Canadian Imperial Bank of Commerce (CIBC) from April 1, 1993 to December 31, 1994. These loans are fully guaranteed if the loan is deemed to be in default.
Limited risk loans	Issued by the CIBC from January 2, 1995 to December 31, 1997 and issued by the Royal Bank from June 2, 1997 to July 31, 2000. The Government only guarantees those loans in default that have been issued to credit abusers, insolvent creditors and minors.
Non-risk loans	Issued by the Royal Bank from August 1, 2000 to July 31, 2001. The Government has agreed to guarantee and purchase any loan deemed to be in default.

Note 6B.c) Manitoba Housing and Renewal Corporation

The Government has guaranteed the repayment of mortgages and has issued letters of credit which guarantee the terms and conditions of land development agreements and construction contracts.

Note 6B.d) Rural Entrepreneur Assistance Program

The Government provides guarantees on new and expanding small or home business loans, with a five-year term.

7. CONTRACTUAL OBLIGATIONS

The Government has entered into a number of contracts and agreements for the delivery of services and acquisition or construction of assets. The following represents the amounts required to satisfy the contractual obligations as at March 31:

	($ millions)			
	2009			2008
	Government Business Enterprises	* Others	Total	Total
Operating obligations:				
Total rental of tangible capital assets	58	254	312	305
Approved loans, grants and maintenance of desktop equipment	-	95	95	69
	58	349	407	374
Capital obligations:				
Tangible capital assets and infrastructure:				
- long-term financing arrangements	900	159	1,059	436
- approved contracts in capital budget	-	81	81	88
- Red River Floodway expansion	-	46	46	332
	900	286	1,186	856
Approved mortgages	-	22	22	15
	900	308	1,208	871
Total	958	657	1,615	1,245

* Government departments, Crowns and Special Funds

Purchase of Winnipeg Hydro

Manitoba Hydro-Electric Board (Hydro) purchased the net assets of Winnipeg Hydro from the City of Winnipeg in 2002. Winnipeg Hydro was an electric utility with 94,000 customers and annual revenues of $125 million. The purchase consideration principally consisted of annual payments by Hydro to the City of Winnipeg of $25 million in years 2002 to 2006, $20 million per annum in years 2007 to 2010, and $16 million per annum in year 2011 and each year thereafter. The net assets and related financing obligations are reflected in Hydro's financial statements.

8. DEBT SERVICING

Debt servicing costs of $830 million (2008 - $864 million) are net of interest recoveries from GBEs of $465 million (2008 - $476 million) and include $117 million (2008 - $118 million) representing interest expense of Crown organizations. GBEs debt servicing costs of $450 million (2008 - $452 million) are reported in Schedule 3.

9. ADJUSTMENTS TO ACCUMULATED DEFICIT

In the March 31, 2009 fiscal year, restatements of the March 31, 2008 accumulated deficit and net income for the year were made in compliance with the province's accounting policies or for the correction of errors.

A. Environmental Liabilities

During the year, the government identified additional environmental liabilities in the amount of $393 million that were related to contaminations or obligating events occurring on or before March 31, 2005. These past liabilities have been recorded with a corresponding increase in accumulated deficit and net debt of $393 million (2008 – $393 million), in accordance with the accounting policy adopted by the government (Note 1D (v) 5).

B. Pension Restatement

An adjustment was made to restate the pension liability related to post-secondary education pension plans. The restatement resulted from the adoption of a moving average fair value method for the valuation of plan assets and the amortization of actuarial gains and losses over the employee average remaining service life. This has resulted in a $19 million increase in the pension liability (2008 - $2 million) and an increase in the opening accumulated deficit and net debt of $19 million (2008 - $2 million) and a reduction of 2008 income of $17 million.

C. Correction on presentation of education grants

An adjustment was made to correct the recognition of unrecorded grant revenue related to capital acquisitions resulting in a $12 million increase in net income in 2008, a corresponding decrease in the opening accumulated deficit and net debt of $12 million (2008 - $0 million).

D. Other

During the year, the Government changed their accounting policy related to certain expenses that should have been recorded as a tangible capital asset when acquired. This change resulted in an increase of tangible capital assets in the amount of $8 million and a corresponding decrease to opening accumulated deficit of $8 million (2008 - $4 million decrease).

The government identified and corrected errors relating to the classification, amortization and disposal of tangible capital assets resulting in an increase in tangible capital assets of $3 million and a decrease of accumulated deficit of $3 million (2008 - $6 million decrease).

During the year, three entities, previously identified as GBE's, were reclassified as other government organizations and included into the summary financial statements on a fully consolidated basis (previously included on a modified equity basis). This change resulted in a $1 million decrease to the opening accumulated deficit and net debt (2008 - $3 million decrease) and reduction of 2008 income of $2 million.

During the year, the government identified an error in the valuation of 2008 borrowings resulting in an increase in borrowings of $7 million, an increase in opening accumulated deficit and net debt of $7 million (2008 - $0 million) and reduction of 2008 income of $7 million.

During the year a correction was made to record as an accounts payable, an amount previously reflected as income. This correction resulted in an increase in opening accounts payable of $5 million, an increase in opening accumulated deficit and net debt of $5 million (2008 - $0 million) and a reduction of 2008 income of $5 million.

The net effect of these adjustments is a $0 million change in the opening accumulated deficit (2008 - $13 million decrease), an increase of opening net debt of $11 million (2008 - $3 million decrease) and a $13 million reduction of 2008 income.

As a result of the above noted changes to net debt, the opening net debt has increased $411 million (2008 – $392 million) from the previously reported balances of $10,188 million (2008 - $10,465 million).

10. AMOUNTS DUE TO THE GOVERNMENT OF CANADA

The March 31, 2003 financial statements disclosed that the net impact of the federal settlement related to the Federal accounting error for the period of 1997 to 1999 was a $91 million loan payable owing to the Government over a ten-year period commencing in 2004/05. As at March 31, 2009, this loan payable has been reduced to $45 million (2008 - $55 million).

To offset negative adjustments to the 2004 Equalization payments, the Government of Canada provided to the Government a loan payable of $38 million repayable over a ten-year period commencing in April 2006. As at March 31, 2009 this loan payable had been reduced to $27 million (2008 - $30 million). Similarly, to offset negative adjustments to the 2004 Canada Health and Social Transfer (CHST) entitlements, the Government of Canada provided to the Government a loan payable of $9 million repayable over a ten-year period commencing in April 2006. As at March 31, 2009 this loan payable had been reduced to $6 million (2008 - $7 million). These loans are non-interest bearing.

Through the Manitoba Opportunities Fund Ltd., the Government holds and invests deposits made through the Federal Department of Citizenship and Immigration, Canada's Immigrant Investor Program. As at March 31, 2009, the Government has loans payable of $212 million (2008 - $156 million) to be repaid to the Government of Canada five years after receipt. The Government is charged an administrative fee for each loan.

11. AMOUNTS HELD IN TRUST

Amounts held in trust are assets over which the Legislature has no power of appropriation. The amounts are not included in the summary financial statements because the Government has no equity in the amounts and administers them according to trust or other agreed-upon arrangements. As at March 31, 2009, amounts held in trust were as follows:

	($ millions)	
	2009	2008
Fiduciary Trusts	501	469
Custodial Trusts	189	186
Trust Funds for Administration	1	1
	691	656

Fiduciary Trusts

The Government holds certain interest bearing deposits as fiduciary trusts. These deposits are pooled with the Government's investments in order to earn a market rate of interest.

Custodial Trusts

The Government holds custodial trust funds in the form of bonds and other securities as well as title to tangible capital assets.

Trust Funds for Administration

The Federal Government, through agreements with the Government, has agreed to transfer public transit funds and Federal gas tax revenues for the purpose of making a transformative difference in the sustainability and future prosperity of cities and communities in Manitoba. The Government administers these funds on behalf of the Federal Government and in accordance with the agreements. These funds are held in trust for administration.

12. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Borrowings in both Canadian and foreign financial markets result in exposure to risks, which include foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Government employs various risk management strategies and operates within fixed risk exposure limits to ensure exposure to risk is managed in a prudent and cost effective manner. A variety of strategies are used, including the use of derivative financial instruments (derivatives).

Derivatives are financial contracts, the value of which is derived from underlying instruments. The Government uses derivatives to hedge and to mitigate foreign exchange risk and interest rate risk. The Government does not use derivatives for speculative purposes.

Foreign exchange risk

Foreign exchange risk is the risk that the cash flows needed to repay the interest and principal on loans in foreign currencies will vary due to fluctuations in foreign exchange rates.

To manage this risk, the Government uses derivative contracts, including foreign exchange forward contracts as well as swaps, to convert foreign currency principal and interest cash flows into Canadian dollar denominated cash flows. The current portfolio of foreign debt is fully hedged through the use of derivatives and U.S. dollar sinking funds, except for the impact of the unamortized foreign exchange fluctuation account of $61 million (2008 - $67 million). This account is fixed with no sensitivity to future foreign exchange rates.

Derivative contracts hedge the underlying debt by matching the critical terms to achieve effectiveness. The current policy has hedged the foreign currency debt principal and interest payments through the use of derivatives in relation to general purpose debt.

Manitoba Hydro-Electric Board (Hydro) has exposure to U.S. dollar foreign exchange fluctuations primarily through the sale and purchase of electricity and fuel in the U.S. This exposure is managed through a long-term natural hedge between U.S. dollar cash inflows from export revenues and U.S. dollar cash outflows for long-term debt coupon and principal payments and thermal fuel purchases. For its U.S. debt retirement purposes, Hydro has a hedging relationship between U.S. long-term debt balances and U.S. dollar sinking funds. As a means to bridge temporary timing differences between inflows and outflows to future years' U.S. dollar requirements, Hydro also utilizes derivative foreign exchange forward contracts as required.

Interest rate risk

Interest rate risk is the risk that debt servicing costs will vary unfavourably according to interest rate fluctuations.

To reduce its exposure to interest rate risk, the Government uses derivatives to manage the fixed and floating interest rate mix of its debt portfolio.

After taking into account derivatives used to manage interest rate risk, and eliminating debt incurred on behalf of Manitoba Hydro-Electric Board, the structure of the debt as at March 31, 2009 was 87% at fixed rates and 13% at floating rates (2008 – 90% at fixed rates and 10% at floating rates). A one percent (100 basis points) movement in interest rates for an entire year would increase/decrease debt servicing costs by $17.0 million (2008 - $11.0 million).

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations.

The Government manages its credit risk exposure from derivatives by, among other activities, dealing only with high credit quality counterparties and regularly monitoring compliance to credit limits. In addition, the Government enters into contractual agreements ("master agreements") with all of its counterparties. As at March 31, 2009, the Government has a gross credit risk exposure of $62.4 million (2008 - $142 million) and a net liability of $1.1 billion (2008 - $654 million) to counterparties.

Liquidity risk

Liquidity risk is the risk that the Government will not be able to meet its financial commitments over the short term.

To reduce liquidity risk, the Government maintains liquid reserves (i.e. cash and cash equivalents) at levels that will meet future cash requirements and will give the Government flexibility in the timing of issuing debt. In addition, the Government has short-term note programs, bank lines and sinking funds as alternative sources of liquidity. This risk is also managed by distributing debt maturities over many years.

Derivative portfolio

The table below presents a maturity schedule of the Government's derivatives, by type, outstanding at March 31, 2009, based on the notional amounts of the contracts. Notional amounts represent the volume of outstanding derivative contracts and are not indicative of credit risk, market risk or actual cash flows.

Derivative Portfolio Notional Value
As at March 31, 2009
($ millions)

	Maturity in Fiscal Year				Contract Notional Amount	
Derivatives	**2010**	**Next 2 – 5 Years**	**Next 6 – 10 Years**	**Over 10 Years**	**2009**	**2008**
Interest rate swaps	2,496	7,342	5,306	8,805	23,949	22,668
Cross currency swaps *	513	1,706	1,906	1,565	5,690	6,630
Forward foreign exchange contracts	88	208	-	-	296	313
	3,097	9,256	7,212	10,370	29,935	29,611

*Note: Includes any interest rate component of the cross currency swap.

13. SIGNIFICANT TRANSACTIONS WITH GOVERNMENT BUSINESS ENTERPRISES

Transactions with GBEs are not eliminated for purposes of summary reporting because they are reported in these summary financial statements using the modified equity method of accounting. These financial statements include the following transactions between the Government and GBEs:

A. Accounts Receivable

Amounts receivable includes receivables from GBEs as reported in Schedule 1. Loans and advances to GBEs are reflected in Schedule 2.

B. Borrowings

Borrowings include $406 million (2008 - $406 million) owed to Manitoba Public Insurance Corporation (MPIC) relating to the capital financing of school board and health care facilities. Borrowings also include debt in the amount of $387 million (2008 - $321 million) and $67 million (2008 - $109 million) owed to MPIC and Manitoba Hydro-Electric Board respectively, related to the financing of other government programs.

These borrowings are repayable over a term from 2010 to 2040 at varying interest rates ranging from 1.753% to 12.25%.

C. Water Power Rentals

Water power rental fees charged to the Manitoba Hydro-Electric Board (Hydro), in the amount of $115 million (2008 - $117 million), are included in the Statement of Revenue and Expense under the Fees and other revenue category. Water power rental rates are authorized by Regulation 25/88 and 197/2001 under *The Water Power Act*. Rentals are paid to the Government for the use of water resources in the operation of Hydro's hydroelectric generating stations.

D. Fees and Government Guarantees

The Manitoba Hydro-Electric Board (Hydro) remitted $74 million (2008 - $73 million) to the Government based on the Hydro debt that is guaranteed by the Government. The fees are included in the Statement of Revenue and Expense under the sinking funds and other investment earnings category.

E. Driver Licensing Operations

The Government, by agreement, paid $21 million (2008 - $21 million) to Manitoba Public Insurance Corporation (MPIC) for the management and administration of driver licensing. MPIC, on behalf of the Government, collected driver licensing fees totalling $20 million (2008 - $22 million) and motor vehicle registration fees totalling $118 million (2008 - $103 million).

The fees received by the Government are included in the Statement of Revenue and Expense under the fees and other revenue category.

F. Other Revenue

Under *The Workplace Safety and Health Act of Manitoba*, the Workers Compensation Board supports the administrative expenses incurred by the Government's Department of Labour and Immigration for the Workplace Safety and Health program and the Worker Advisor Office. The amount for the year ended March 31, 2009 was $8 million (2008 - $8 million).

The Manitoba Lotteries Corporation provided $3 million in funding for the year ended March 31, 2009 (2008 - $3 million) to the Addictions Foundation of Manitoba for problem gambling services programs.

Manitoba Hydro-Electric Board paid Corporation Capital Tax of $46 million for the year ended March 31, 2009 (2008 - $41 million).

These amounts received by the Government are included in the Statement of Revenue and Expense under the fees and other revenue and other taxes categories.

14. COMPARATIVE FIGURES

Certain 2008 financial statement figures have been reclassified to be consistent with the 2009 presentation.

SCHEDULE 1

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF AMOUNTS RECEIVABLE
As at March 31, 2009

	($ millions) 2009	($ millions) 2008
TAXATION REVENUE:		
Corporation capital tax	2	6
Corporation income tax	48	53
Gasoline tax	14	14
Levy for health and education	30	30
Individual income tax	146	144
Insurance corporations tax	17	16
Motive fuel tax	9	11
Oil and natural gas tax	-	1
Retail sales tax	140	135
Tax administration and miscellaneous taxes	9	9
Tobacco tax	17	17
	432	436
GOVERNMENT OF CANADA AND OTHER GOVERNMENTS:		
Canada health and Canada social transfers	-	12
Municipal corporations	206	189
Government of Canada shared cost programs/agreements	147	182
Other	58	36
	411	419
INTEREST:		
Province of Manitoba sinking fund	20	23
Other investments	14	8
	34	31
OTHER:		
Health and social services	116	140
Manitoba Hydro-Electric Board	9	10
Manitoba Liquor Control Commission	43	41
Manitoba Lotteries Corporation	4	2
Manitoba Public Insurance Corporation	10	9
Sundry departmental revenue	78	75
Other	62	93
	322	370
	1,199	1,256
Less: Allowances	89	79
Total Amounts Receivable	1,110	1,177

SCHEDULE 2

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF LOANS AND ADVANCES
As at March 31, 2009

	($ millions) 2009	2008
GOVERNMENT BUSINESS ENTERPRISES:		
Manitoba Hydro-Electric Board	7,836	7,142
Manitoba Lotteries Corporation	172	180
	8,008	7,322
Less: Debt incurred for and repayable by the Manitoba Hydro-Electric Board and Manitoba Lotteries Corporation	8,008	7,322
	-	-
OTHER:		
Loans and Mortgages - Note a	598	583
Hudson Bay Mining and Smelting Co. Ltd - Note b	-	7
Manitoba Potash Corporation - Note c	4	4
Manitoba student loans - Note d	34	35
Family services agencies - Note e	21	19
Rural economic development initiatives program - Note f	3	3
Other	1	1
	661	652
Less: Valuation allowance	66	87
NET LOANS AND ADVANCES	595	565

The Government business enterprises loans and advances portfolio is due in varying annual amounts to the year 2038, bearing interest rates from 4.050% to 10.679%.

Note a

	2009	2008
Agricultural direct lending and special assistance program mortgages, due in varying annual amounts to the year 2034, bearing interest rates ranging from 1.25% to 13.0%.	340	318
Housing direct lending and special assistance program mortgages, due in varying annual amounts to the year 2035, bearing interest rates ranging from 0.0% to 14.25%.	146	153
Business development assistance loans, due in varying annual amounts to the year 2040, bearing interest rates ranging from 0.0% to 9.0%.	86	86
Northern business development and fishing industry assistance loans, due in varying annual amounts to the year 2018, bearing interest rates ranging from 4.125% to 5.5%.	26	26
	598	583

Note b - environmental improvement loan, due in varying amounts to the year 2009, bearing no interest and guaranteed with an irrevocable letter of credit.

Note c - advances, repayable on the Corporation generating revenue or the sale of the Province's interest, bearing interest at prime less 0.75%.

Note d - student loans, payment and interest free until 6 months past the completion of studies, due 114 to 174 months after that time, carrying interest at prime plus 1.5%.

Note e - advances to provide family services agencies with interim funding to meet daily operating expenses related to providing services, to be repaid when no longer required, bearing no interest.

Note f - Community Works Program loans, repayable at the end of the 5 to 10 year term, bearing no interest.

SCHEDULE 3

GOVERNMENT BUSINESS ENTERPRISES

SCHEDULE OF CONSOLIDATED OPERATING RESULTS AND FINANCIAL POSITION

For the Year Ended March 31, 2009

($ millions)

CHANGES IN EQUITY	UTILITY	INSURANCE	FINANCE	TOTAL 2009	TOTAL 2008
Results from Operations					
Revenues from operations	2,364	1,204	1,364	4,932	4,877
Expenses: From operations	1,627	1,229	819	3,675	3,478
Debt servicing	439	-	11	450	452
Total expenses	2,066	1,229	830	4,125	3,930
Net income (loss)	298	(25)	534	807	947
Transfers to the Government	-	-	(534)	(534)	(516)
	298	(25)	-	273	431
Other Comprehensive Income (Loss)	(474)	(307)	-	(781)	358
Adjustments to Opening Equity	(176)	(332)	-	(508)	789
Adoption of Financial Instruments accounting standards	-	-	-	-	(23)
Net increase (decrease) in equity in government business enterprises	(176)	(332)	-	(508)	766
FINANCIAL POSITION					
Assets:					
Cash and temporary investments	170	272	34	476	304
Amounts receivable	440	311	38	789	804
Portfolio investments - Due from Government organizations	666	-	46	712	881
Due from others	-	2,636	-	2,636	2,940
Capital assets	9,224	55	190	9,469	8,876
Investments held for pension purposes	623	-	-	623	781
Other assets	922	177	47	1,146	913
Total assets	12,045	3,451	355	15,851	15,499
Liabilities:					
Accounts payable, accrued liabilities and deferred revenue	1,084	581	121	1,786	1,799
Long-term debt: Owing to Government organizations	7,836	-	172	8,008	7,322
Owing to others	444	-	1	445	412
Provision for future benefits: Pension obligations	730	172	52	954	921
Future cost of existing claims	-	2,465	4	2,469	2,348
Total liabilities	10,094	3,218	350	13,662	12,802
Equity in government business enterprises	1,951	233	5	2,189	2,697

For government business enterprises whose fiscal year end is prior to March 31, the amounts reflected are as at their fiscal year end.

SCHEDULE 4

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OTHER LONG-TERM INVESTMENTS
As at March 31, 2009

	($ millions) 2009	2008
OTHER INVESTMENTS, AT COST		
Common shares -		
Manitoba Potash Corporation - 490,000 shares	5	5
Preferred shares -		
3863620 Canada Limited - 11,000,000 shares	-	11
Special shares -		
Crocus Investment Fund - 2,000,000 shares	2	2
Preferred shares -		
Rancher's Choice - 1 share	5	5
Other -		
Limited partnership investments	21	20
	33	43
Less: Valuation allowance	24	35
Total Long-Term Investments	9	8

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 5

CONSOLIDATED STATEMENT OF BORROWINGS
As at March 31, 2009

($ millions)

Fiscal Year of Maturity	Bonds and Debentures Cdn	Bonds and Debentures US	Canada Pension Plan Cdn	Loans and Mortgages Cdn	Promissory Notes and Treasury Bills Cdn	Totals 2009	Totals 2008
2009	-	-	-	-	-	-	3,132
2010	1,511	500	115	53	1,185	3,364	1,504
2011	1,257	567	103	48	-	1,975	1,686
2012	1,874	-	104	37	-	2,015	1,354
2013	1,460	-	73	72	-	1,605	689
2014	991	426	-	72	-	1,489	1,196
2009-2014	7,093	1,493	395	282	1,185	10,448	9,561
2015-2019	4,462	1,134		8	-	5,604	5,860
2020-2029	1,623	378	15	174	-	2,190	2,287
2030-2048	4,317	-	82	-	-	4,399	4,073
2010-2043 Crown Organizations	406	-	-	278	-	684	681
2015-2048	10,808	1,512	97	460	-	12,877	12,901
Total borrowings	17,901	3,005	492	742	1,185	23,325	22,462
Reduced by:							
Debt incurred for and repayable by The Manitoba Hydro-Electric Board and Manitoba Lotteries Corporation						(8,008)	(7,322)
Unamortized debt issue costs						(8)	(1)
Unamortized foreign currency fluctuation						(61)	(67)
Unamortized gains and losses on derivative contracts						50	72
Province of Manitoba debt issues held as investments in sinking funds and cash and cash equivalents						(634)	(589)
						14,664	14,555

	March 31/09 Cdn $ Valuation (See Notes)	March 31/08 Cdn $ Valuation (See Notes)
Borrowings payable in:		
Canadian dollars	17,147	16,572
Foreign issues hedged to Canadian dollars	3,173	3,184
U.S. dollars	2,397	2,162
Foreign issues hedged to U.S. dollars	608	544
Total borrowings	23,325	22,462

Note a: The hedges are derivative contracts which include swaps and forward foreign exchange contracts.

Note b: The Canadian dollar valuation is calculated using the foreign currency exchange rates in effect at each March 31 adjusted for any forward foreign exchange contracts entered into for settlement after year-end.

Note c: Interest rates on these borrowings fall into one of three categories:

i) Fixed with rates ranging from 1.60% to 11.33%.
ii) Floating Canadian - Bankers Acceptance (BA) setting, established quarterly or monthly, with the lowest rate currently set at 0.39% and the highest set at 3.93% as at March 31, 2009.
iii) Floating U.S. - U.S. Dollar London Interbank Offering Rate (LIBOR) setting, established quarterly, with the lowest rate currently set at 1.16% and the highest set at 1.35% as at March 31, 2009.

Note d: The presentation of Province of Manitoba debt issues held as investments was corrected to exclude debt issued on behalf of Government Business Enterprises which the Province holds as investments. As a result of this restatement, both portfolio invesrtments and borrowings increased by $1,026 million (2008 - $1,039 milion). There is no impact on accumulated deficit or net debt as a result of this correction.

SCHEDULE 6

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCOUNTS PAYABLE, ACCRUED CHARGES, PROVISIONS AND UNEARNED REVENUE
As at March 31, 2009

	($ millions)	
	2009	**2008**
Accounts payable	1,228	1,081
Accrued charges:		
Interest accrued on borrowings	267	282
Canadian Agricultural Income Stabilization / Agrinvest	91	84
Compensation for Victims of Crime	21	21
Disaster assistance	5	3
Flood claims	16	16
Hepatitis C assistance	-	5
Infrastructure works program	18	15
Land acquisition claims	2	2
Long term disability income plan	28	25
Manfor Ltd. divestiture	-	1
Environmental liabilities	540	550
Salaries and benefits	410	362
Severance pay	296	289
Tripartite Land Assembly Program	-	3
Workers Compensation Board claims	23	15
Other	201	183
	1,918	1,856
Provision for future losses on guarantees (Note 6)	21	21
Unearned Revenue:		
Deferred contributions related to future expense	5	7
Court fines and remittances	29	27
Government of Canada - Advances re: shared-cost programs not yet claimed	107	88
Research and Special Funds	132	119
Tuition and education fees	42	32
Vehicle registration	55	45
Other	39	32
	409	350
Total Accounts Payable, Accrued Chagres, Provisions and Unearned Revenue	3,576	3,308

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 7

CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2009

($ millions)

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans (Note A)	Public School Division Plans (Note A)	Other Plans (Note A)	Total 2009	Total 2008
ACCRUED BENEFIT OBLIGATION							
Obligation at beginning of year as restated (Note B)	1,896	2,640	1,160	322	94	6,112	5,673
Current service costs	65	69	44	13	3	194	189
Interest cost on benefit obligation	142	170	67	20	6	405	408
Change in actuarial (gains) losses and reserves	(37)	-	(72)	(4)	(2)	(115)	103
Plan amendment	-	-	-	-	-	-	58
Benefits paid	(89)	(135)	(84)	(16)	(4)	(328)	(319)
Obligation at end of year	1,977	2,744	1,115	335	97	6,268	6,112
PLAN ASSETS							
Plan assets at beginning of year as restated (Note B)	-	-	1,178	353	35	1,566	1,559
Employer contributions	70	55	20	7	3	155	246
Employee contributions	-	-	18	6	1	25	27
Transfer of plan assets (Note 3)	396	1,847	-	-	-	2,243	-
Plan asset contributions	413	-	-	-	-	413	-
Benefits paid	(89)	(135)	(84)	(16)	(4)	(328)	(319)
Expected return on plan assets	25	117	68	(21)	1	190	95
Experience gains (losses)	(90)	(365)	(248)	-	(7)	(710)	(42)
Market value of plan assets	725	1,519	952	329	29	3,554	1,566
Deferred investment losses (gains)	72	292	190	-	-	554	(28)
Market related value of plan assets	797	1,811	1,142	329	29	4,108	1,538
PENSION LIABILITY							
Plan deficit (surplus)	1,180	933	(27)	6	68	2,160	4,574
Unamortized actuarial gains (losses)	17	(208)	34	(4)	(7)	(168)	(145)
Surplus adjustments (Note C)	-	-	9	(2)	4	11	41
Pension Liability	1,197	725	16	-	65	2,003	4,470
PENSION EXPENSE							
Defined benefit pension plan expense:							
Current service cost	65	69	44	13	3	194	189
Interest cost on benefit obligation	142	170	67	20	6	405	408
Return on plan assets	(25)	(117)	(68)	21	(1)	(190)	(95)
Employee contributions	-	-	(18)	(6)	(1)	(25)	(23)
Amortization of actuarial (gains) losses	(5)	15	(7)	-	(1)	2	(4)
Plan amendment	-	-	-	-	-	-	58
Change in surplus adjustments	-	-	(1)	(41)	-	(42)	(4)
Defined benefit pension plan expense	177	137	17	7	6	344	529
Defined contribution pension plan expense	-	-	3	15	103	121	106

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 7

CONSOLIDATED STATEMENT OF PENSION LIABILITY

(cont'd)

As at March 31, 2009

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans	Public School Division Plans	Other Plans	Total 2009	Total 2008
MEMBER DATA							
Defined benefit pension plan							
Number of active and deferred members	30,300	21,400	5,500	3,900	296	61,396	60,847
Number of pensioners	15,200	11,600	1,500	1,400	316	30,016	28,811
Total number of plan members	45,500	33,000	7,000	5,300	612	91,412	89,658
ACTUARIAL ASSUMPTIONS							
Discount rate on accrued benefits	6.50%	6.50%	5.35 - 6.00%	6.00 - 6.25%	5.00 - 6.00%		
Expected long-term rate of return	6.50%	6.50%	5.35 - 6.00%	6.00 - 6.25%	5.00 - 6.00%		
Inflation	2.50%	2.50%	2.00 - 2.50%	2.00 - 2.50%	2.00 - 2.75%		
Real rate of return	4.00%	4.00%	3.25 - 4.00%	3.50 - 4.00%	3.00 - 3.50%		
Rate of salary increase	3.25%	3.00%	2.50 - 4.00%	4.00 - 4.50%	3.50%		
Latest valuation	Dec 2007	Jan 2006	(Note D)	(Note D)	(Note D)		

Note A: Post-Secondary Education plans include the University of Manitoba Pension Plans, the University of Winnipeg Pension Plan and the Brandon University Retirement Plan.

Public School Division plans include the Winnipeg School Division Pension Fund for Employees Other Than Teachers, Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division and Retirement Plan for Employees of Frontier School Division.

Other plans include the Members of Legislative Assembly Pension Plan, the Legislative Assembly Pension Plan, the Judges' Supplemental Pension Plan, and the Winnipeg Child and Family Services Employee Benefits Retirement Plan.

Note B: An adjustment was made to restate the pension liability related to post-secondary education pension plans. This restatement resulted from an adoption of a moving average fair value method for the valuation of plan assets and the amortization of actuarial gains and losses over EARSL. This change resulted in a $19 million increase in the opening pension liability (2008 - $2 million). The adjustment consists of a $5 million increase in accrued benefit obligation (2008 - $6 million decrease), a $71 million decrease in plan assets (2008 - $74 million) and a $57 million decrease in deferred and unamortized losses (2008 - $66 million)

Note C: For those plans that the Government is unable to access surplus funds within the plan, adjustments are made to reduce these surplus amounts to nil. These pension surpluses represent the excess of the plan assets funded by employees over the employees' share of the accrued benefit obligation.

Note D: Latest actuarial valuation report dates are as follows:

- University of Manitoba Pension Plans	Dec 2006
- University of Winnipeg Pension Plan	Dec 2007
- Brandon University Retirement Plan	Dec 2007
- Winnipeg School Division Pension Fund for Employees Other than Teachers	Dec 2006
- Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division	Dec 2007
- Retirement Plan for Employees of Frontier School Division	Dec 2007
- Members of Legislative Assembly Pension Plan	Mar 2008
- Legislative Assembly Pension Plan	Dec 2007
- Judges' Supplemental Pension Plan	Mar 2003
- Winnipeg Child and Family Services Employee Benefits Retirement Plan	Dec 2007

Note E: The presentation for the pension liability has been changed to reflect only the accrued benefit obligations and plan assets for which the Government is responsible. The comparative balances have been restated to reflect this change in presentation. There is no impact on the net pension liability or expense as a result of this change.

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 8

CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS

For the Year Ended March 31, 2009

($ millions)

	General Capital Assets					Infrastructure				Totals	
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Land and Land Improvements	Transportation	Dams and Water Management Structures	Assets Under Construction	2009	2008
Cost											
Opening cost, as previously reported	191	4,952	1,790	520	430	251	2,238	88	425	10,885	9,983
Restatements, (Note 9)	-	(3)	(1)	3	(7)	-	10	-	-	2	7
Reclassifications	-	-	(2)	3	-	(1)	-	-	-	-	(6)
Opening cost restated	191	4,949	1,787	526	423	250	2,248	88	425	10,887	9,984
Add:											
Additions during the year	15	317	141	72	79	7	193	-	154	978	1,027
Less:											
Disposals and write downs	(3)	(10)	(58)	(10)	-	-	-	-	-	(81)	(124)
Settlements and reclassifications	-	10	1	2	(15)	1	69	-	(68)	-	-
Closing cost	203	5,266	1,871	590	487	258	2,510	88	511	11,784	10,887
Accumulated amortization											
Opening, as previously reported	-	2,270	1,211	299	-	43	1,083	56	-	4,962	4,684
Restatements, (Note 9)	-	(9)	(2)	-	-	-	2	-	-	(9)	(3)
Reclassifications	-	-	(2)	3	-	(1)	-	-	-	-	(6)
Opening accumulated amortization restated	-	2,261	1,207	302	-	42	1,085	56	-	4,953	4,675
Add:											
Amortization	-	125	118	44	-	4	82	2	-	375	359
Less:											
Accumulated amortization on disposals, write downs	-	(5)	(50)	(9)	-	-	-	-	-	(64)	(81)
Closing accumulated amortization	-	2,381	1,275	337	-	46	1,167	58	-	5,264	4,953
Net Book Value of Tangible Capital Assets	203	2,885	596	253	487	212	1,343	30	511	6,520	5,934

During the year the Province capitalized $13 million of interest relating to assets under construction (2008 - $6 million).

SCHEDULE 9

FUNDS, ORGANIZATIONS AND BUSINESS ENTERPRISES COMPRISING THE GOVERNMENT REPORTING ENTITY

HEALTH AND HEALTHY LIVING

- Manitoba Health
- Addictions Foundation of Manitoba
- CancerCare Manitoba
- Diagnostic Services of Manitoba Inc.
- Manitoba Health Research Council
- Manitoba Health Services Insurance Plan
- Manitoba Hospital Capital Financing Authority
- Regional Health Authorities (including controlled organizations)
  - Assiniboine Regional Health Authority Inc.
  - Brandon Regional Health Authority Inc.
  - Burntwood Regional Health Authority Inc.
  - Churchill RHA Inc.
  - Interlake Regional Health Authority
  - NOR-MAN Regional Health Authority Inc.
  - North Eastman Health Association Inc.
  - Parkland Regional Health Authority Inc.
  - Regional Health Authority - Central Manitoba Inc.
  - South Eastman Health/Santé Sud-Est Inc.
  - Winnipeg Regional Health Authority
- Rehabilitation Centre for Children Inc.

EDUCATION

- Manitoba Advanced Education and Literacy
- Manitoba Education, Citizenship and Youth
- Assiniboine Community College
- Brandon University
- Collège universitaire de Saint-Boniface
- Council on Post-Secondary Education
- Red River College
- University College of The North
- University of Manitoba
- University of Winnipeg
- Manitoba Text Book Bureau
- Public School Divisions
- Public Schools Finance Board

FAMILY SERVICES AND HOUSING

- Manitoba Family Services and Housing
- Child and Family Services of Central Manitoba
- Child and Family Services of Western Manitoba
- First Nations of Northern Manitoba Child & Family Services Authority
- First Nations of Southern Manitoba Child & Family Services Authority

SCHEDULE 9
(cont'd)

FAMILY SERVICES AND HOUSING, cont'd

- General Child and Family Services Authority
- Manitoba Housing and Renewal Corporation
- Métis Child and Family Services Authority

COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT

- Manitoba Aboriginal and Northern Affairs
- Manitoba Agriculture, Food and Rural Initiatives
- Manitoba Competiveness, Training and Trade
- Manitoba Conservation
- Manitoba Infrastructure and Transportation
- Manitoba Intergovernmental Affairs
- Manitoba Science, Technology, Energy and Mines
- Abandonment Reserve Fund
- Communities Economic Development Fund
- Cooperative Loans and Loans Guarantee Board
- Cooperative Promotion Board
- Crown Lands and Property Agency
- Economic Innovation and Technology Council
- Ethanol Fund
- Farm Machinery and Equipment Act Fund
- Fleet Vehicles Agency
- Food Development Centre
- Green Manitoba Eco Solutions
- Horse Racing Commission
- Industrial Technology Centre
- Manitoba Agricultural Services Corporation
- Manitoba Development Corporation
- Manitoba Education, Research and Learning Information Networks (Merlin)
- Manitoba Floodway Authority
- Manitoba Habitat Heritage Corporation
- Manitoba Opportunities Fund Ltd.
- Manitoba Trade and Investment Corporation
- Manitoba Trucking Productivity Improvement Fund
- Manitoba Water Services Board
- Materials Distribution Agency
- Mining Community Reserve
- Mining Rehabilitation Reserve
- Pineland Forest Nursery
- Quarry Rehabilitation Reserve
- Tire Stewardship Board
- Veterinary Science Scholarship Fund

SCHEDULE 9
(cont'd)

JUSTICE AND OTHER EXPENDITURES

Legislative Assembly
Executive Council
Civil Service Commission
Manitoba Culture, Heritage, Tourism and Sport
Manitoba Finance
Healthy Child Manitoba
Manitoba Justice
Manitoba Labour and Immigration
Manitoba Seniors and Healthy Living Secretariat
Board of Administration under the Embalmers and Funeral Directors Act
Centre culturel franco-manitobain
Civil Legal Services
Companies Office
Crown Corporations Council
Helen Betty Osborne Foundation
Insurance Council of Manitoba
Land Titles Assurance Fund
Legal Aid Manitoba
Leaf Rapids Town Properties Ltd.
Manitoba Arts Council
Manitoba Boxing Commission
Manitoba Centennial Centre Corporation
Manitoba Community Services Council Inc.
Manitoba Film and Sound Recording Development Corporation
Manitoba Gaming Control Commission
Manitoba Hazardous Waste Management Corporation
Manitoba Law Reform Commission
Manitoba Product Stewardship Corporation
Manitoba Securities Commission
Office of the Fire Commissioner
Organization and Staff Development
Special Operating Agencies Financing Authority
Sport Manitoba Inc.
The Property Registry
The Public Trustee
Travel Manitoba
Venture Manitoba Tours Ltd.
Victims Assistance Fund
Vital Statistics Agency

**SCHEDULE 9
(cont'd)**

GOVERNMENT BUSINESS ENTERPRISES: (Schedule 3) (Note 4)

Utility:

- Manitoba Hydro-Electric Board

Insurance:

- Manitoba Public Insurance Corporation
- Workers Compensation Board

Finance:

- Manitoba Liquor Control Commission
- Manitoba Lotteries Corporation

SPECIAL ACCOUNTS AND FUNDS, not attached to a Sector or Department

- Pension Assets Fund
- Debt Retirement Account
- Fiscal Stabilization Account

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 10

CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR

For the Year Ended March 31, 2009

($ millions)

	Health and Healthy Living		Education		Family Services and Housing		Community, Economic and Resource Development	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$	$	$
REVENUE								
Income taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	657	646	-	-	-	-
Fees and other revenue	402	429	508	496	113	107	561	490
Federal transfers	888	823	117	120	55	60	294	227
Contributions from entities within the Government Reporting Entity	31	23	52	47	-	-	-	4
Sinking funds and other investment earnings	2	4	13	33	14	15	7	13
Total Revenue	1,323	1,279	1,347	1,342	182	182	862	734
EXPENSE								
Personnel services	2,574	2,339	2,179	2,191	190	183	384	367
Grants/Transfer payments	775	693	121	152	184	170	591	490
Transportation	44	41	17	15	5	4	59	49
Communication	17	22	20	19	4	3	18	14
Supplies and services	668	682	455	448	136	126	275	279
Social assistance related	1	-	5	5	768	711	75	60
Other operating	374	383	246	213	25	15	303	309
Debt servicing	66	75	125	104	49	51	124	124
Minor capital	22	24	38	41	2	10	18	16
Amortization	127	118	104	107	14	13	128	119
Total Expenses	4,668	4,377	3,310	3,295	1,377	1,286	1,975	1,827
NET INCOME (LOSS) FOR THE YEAR	(3,345)	(3,098)	(1,963)	(1,953)	(1,195)	(1,104)	(1,113)	(1,093)

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 10

CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR

(cont'd)

For the Year Ended March 31, 2009

($ millions)

	Justice and Other Expenditures		General Government (Note a)		Adjustments (Note b)		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$	$	$
REVENUE								
Income taxes	-	-	2,841	2,652	-	-	2,841	2,652
Other taxes	-	-	2,690	2,642	1	-	3,348	3,288
Fees and other revenue	163	136	4	13	6	(43)	1,757	1,628
Federal transfers	44	43	2,468	2,324	-	-	3,866	3,597
Contributions from entities within the Government Reporting Entity	-	-	828	969	(104)	(96)	807	947
Sinking funds and other investment earnings	227	265	18	32	15	22	296	384
Total Revenue	434	444	8,849	8,632	(82)	(117)	12,915	12,496
EXPENSE								
Personnel services	689	634	(144)	(78)	2	2	5,874	5,638
Grants/Transfer payments	333	369	(295)	(286)	(191)	(150)	1,518	1,438
Transportation	10	23	14	(2)	-	1	149	131
Communication	19	17	(2)	(3)	-	2	76	74
Supplies and services	166	166	(98)	(107)	122	35	1,724	1,629
Social assistance related	27	20	-	-	-	-	876	796
Other operating	51	58	(56)	(56)	-	(2)	943	920
Debt servicing	484	518	(3)	(3)	(15)	(5)	830	864
Minor capital	4	4	(4)	(4)	-	-	80	91
Amortization	7	9	(5)	(9)	-	-	375	357
Total Expenses	1,790	1,818	(593)	(548)	(82)	(117)	12,445	11,938
NET INCOME (LOSS) FOR THE YEAR	(1,356)	(1,374)	9,442	9,180	-	-	470	558

Note a: The general government category includes revenue from sources that cannot be attributed to a particular sector. Expenses in this category represent recoveries between sectors that cannot be attributed to any particular sectors.

Note b: Consolidation adjustments necessary to conform sectors to Government accounting policies and to eliminate transactions between sectors.

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 11

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year ended March 31, 2009

($ millions)

	2009			2008		
	Core Government (Note)	Consolidation Impacts	Summary 2009	Core Government	Consolidation Impacts	Summary 2008
REVENUE						
Income taxes	2,841	-	2,841	2,652	-	2,652
Other taxes	2,691	657	3,348	2,642	646	3,288
Fees and other revenue	481	1,276	1,757	438	1,190	1,628
Federal transfers	3,624	242	3,866	3,383	214	3,597
Net income from government business enterprises (Schedule 3)	534	273	807	516	431	947
Sinking funds and other investment earnings	-	296	296	-	384	384
TOTAL REVENUE	10,171	2,744	12,915	9,631	2,865	12,496
EXPENSES						
Health and Healthy Living	4,268	318	4,586	3,932	300	4,232
Education	1,972	1,182	3,154	1,882	1,342	3,224
Family Services and Housing	1,232	89	1,321	1,135	89	1,224
Community, Economic and Resource Development	1,500	82	1,582	1,384	36	1,420
Justice and Other Expenditures	818	154	972	808	166	974
Debt Servicing (Note 8)	225	605	830	252	612	864
TOTAL EXPENSES	10,015	2,430	12,445	9,393	2,545	11,938
Net Result for the Year	156	314	470	238	320	558
Transfer to Debt Retirement Account	(110)	110	-	(110)	110	-
Transfer to Fiscal Stabilization Account	(46)	46	-	(128)	128	-
NET INCOME FOR THE YEAR	-	470	470	-	558	558

Note: The Core Government is a component of the Government Reporting Entity and represents the revenues directly reported and the programs and services delivered by government departments. Core Government results are based upon specified accounting policies which vary from Canadian generally accepted accounting principles, in that the results for the year do not reflect the expenses related to the increase in the overall pension liability, do not consolidate the operations of all Crown organizations, include results of the Finance category of government business enterprises only and account for capital financing to health care facilities as a deferred charge. In addition, starting in 2008/09, certain loans and advances to Crown organizations, repaid through future appropriations, are reflected as assets of the Core Government. Public sector accounting standards would require these advances to be expensed as grants in the year issued (this change resulted in a decrease in Core Government expenses of $2 million for 2009 (2008 balances have not been restated for this change but if made would have decreased expenses by $29 million)). This presentation is eliminated upon consolidation.

OTHER FINANCIAL REPORTS

FOR THE YEAR ENDED

March 31, 2009

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Debt Retirement Account. 129

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITOR'S REPORT
Statement of Calculation of Balance under the Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

To the Legislative Assembly of the Province of Manitoba

We have audited the Statement of Calculation of Balance of the Province of Manitoba for the year ended March 31, 2009 prepared in accordance with the Balanced Budget, Fiscal Management and Taxpayer Accountability Act. This financial information is the responsibility of the Government of Manitoba. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, this statement presents fairly, in all material respects, the calculation of balance for the year ended March 31, 2009, in accordance with the Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

Winnipeg, Manitoba
August 14, 2009

Carol Bellringer, FCA, MBA
Auditor General

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

STATEMENT OF CALCULATION OF BALANCE UNDER THE BALANCED BUDGET, FISCAL MANAGEMENT AND TAXPAYER ACCOUNTABILITY ACT

For the Year Ended March 31, 2009

	($ millions) (Note 1) **2009**
Revenue	12,915
Expenses	12,445
NET RESULT FOR THE YEAR	470
NET RESULTS OF PREVIOUS YEARS	
Year ended March 31, 2008	576
Year ended March 31, 2007	430
Year ended March 31, 2006	375
CUMULATIVE FOUR YEAR BALANCE	1,851
AVERAGE FOUR YEAR BALANCE FOR PURPOSES OF BALANCED BUDGET LEGISLATION	463

Note 1: For purposes of the calculation of balance under *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act* the balance as at the end of a fiscal year is the average of the net results for the fiscal years within the four-year period ending at that time. The net result for each of those years is the net income or loss as shown in the audited summary financial statements for the Government Reporting Entity for that fiscal year.

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITOR'S REPORT
Fiscal Stabilization Account Statement of Transfers and Account Balance

To the Legislative Assembly of the Province of Manitoba

We have audited the Fiscal Stabilization Account Statement of Transfers and Account Balance of The Province of Manitoba for the year ended March 31, 2009 which is prepared in accordance with the Financial Administration Act. The Fiscal Stabilization Account is defined in Section 26 of the Financial Administration Act. This financial information is the responsibility of the Government of Manitoba. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, this statement presents fairly, in all material respects, transfers and the balance of the Fiscal Stabilization Account of the Province of Manitoba for the year ended March 31, 2009, in accordance with the Financial Administration Act.

Winnipeg, Manitoba
August 14, 2009

Carol Bellringer, FCA, MBA
Auditor General

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FISCAL STABILIZATION ACCOUNT STATEMENT OF TRANSFERS AND ACCOUNT BALANCE

For the Year Ended March 31, 2009

	(in $ thousands)	
	2009	**2008** (Note 4)
Transfer from Core Government operations	46,364	154,926
Account Balance, beginning of year	818,076	663,150
Account Balance, end of year	864,440	818,076

FISCAL STABILIZATION ACCOUNT NOTES TO STATEMENT OF TRANSFERS AND ACCOUNT BALANCE

For the Year Ended March 31, 2009

1. The Fiscal Stabilization Account was established under the authority of subsection 26.1(1) of *The Financial Administration Act*. The Fiscal Stabilization Fund established under *The Fiscal Stabilization Fund Act* is continued as the Fiscal Stabilization Account. The legislated purpose of the Account is to assist in stabilizing the fiscal position by supporting core government operations in a fiscal year or to repay debt. Under subsection 26.1(3) the Minister of Finance, with the approval of the Lieutenant Governor in Council, may deposit in the Account any part of the revenue or other financial assets received in the core government in any fiscal year. Under subsection 26.1(4), the Minister of Finance may, with the approval of the Lieutenant Governor in Council, transfer all or part of the Account balance to the core government.

2. It is the Government's policy to divide the Fiscal Stabilization Account into two programs, the Health Program and the General Program, as presented in the attached, unaudited Schedule of Supplementary Information. Funds were allocated to the Health Program based upon funds received from the Federal Government for Wait Time Reduction programming and Other Health Related programming.

3. Subsection 26.1(2) of *The Financial Administration Act* stipulates that the Minister of Finance shall make every effort to ensure that the balance of the Account at the end of each fiscal year is at least 5% of the core government expenditures for that year.

4. The 2008 comparative figures reflect the balances and activity for the Fiscal Stabilization Fund. The 2008 financial information and balances have been reclassified to be consistent with the 2009 presentation of the Fiscal Stabilization Account.

FISCAL STABILIZATION ACCOUNT
SCHEDULE OF SUPPLEMENTARY INFORMATION
(Unaudited)
For the Year Ended March 31, 2009

	(in $ thousands)	
Fiscal Stabilization Account by Program	**2009**	**2008**
Health Program		
Account Balance, beginning of year	147,861	175,195
Health Program Transfers		
- Wait Time reduction Programming	(36,179)	(25,322)
- Other Health Related Programming	(10,000)	(9,144)
- Allocation for interest	2,974	7,132
Account Balance, end of year	104,656	147,861
General Program		
Account Balance, beginning of year	670,215	487,955
General Program Transfers		
- Health Program	46,179	34,466
- Transfer from Core Government - allocated to general purposes	29,910	127,928
- allocation for interest	13,480	19,866
Account Balance, end of year	759,784	670,215
Total Account Balance, end of year	864,440	818,076

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITOR'S REPORT
Debt Retirement Account Statement of Transfers and Account Balance

To the Legislative Assembly of the Province of Manitoba

We have audited the Debt Retirement Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2009 prepared in accordance with the Balanced Budget, Fiscal Management and Taxpayer Accountability Act. The Debt Retirement Account is defined in Part 3 of the Balanced Budget, Fiscal Management and Taxpayer Accountability Act. This financial information is the responsibility of the Government of Manitoba. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, this statement presents fairly, in all material respects, transfers and the balance of the Debt Retirement Account of the Province of Manitoba for the year ended March 31, 2009, in accordance with the Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

Winnipeg, Manitoba
August 14, 2009

Carol Bellringer, FCA, MBA
Auditor General

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DEBT RETIREMENT ACCOUNT STATEMENT OF TRANSFERS AND ACCOUNT BALANCE

For the Year Ended March 31, 2009

	(in $ thousands)	
	2009	**2008** (Note 3)
Transfers		
Allocation for Interest	963	2,115
Transfer from Core Government operations	110,495	110,495
Transfer for Pension Obligation	(55,247)	(85,495)
Net results for the year after transfers	56,211	27,115
Account Balance, beginning of year	78,115	51,000
Account Balance, end of year	134,326	78,115

Notes to Financial Information

1. The Debt Retirement Account was established under the authority of *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.* The Debt Retirement Fund established under *The Balanced Budget, Debt Repayment and Taxpayer Accountability Act* is continued as the Debt Retirement Account. The purpose of the Account was to assist in the orderly repayment of debt pursuant to the Act.

2. The Government transferred $110 million (2008 - $110 million) to the Debt Retirement Account from Core Government operations for the specific purpose of reducing general purpose debt and pension obligations with the Civil Service Superannuation Fund (CSSF) and the Teachers' Retirement Allowances Fund (TRAF). The transfer was made in accordance with subsection 13(2) of *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act*. The Government transferred $55 million (2008 - $85 million) from the Debt Retirement Account for the specific purpose of providing for the future retirement of pension obligations with CSSF and TRAF. This transfer was made in accordance with subsection 14(1) of *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.* The government transferred $1 million (2008 - $2 million) allocated for interest, from the core government, in accordance with subsection 13(2)(b) of *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act* .

3. The 2008 comparative figures reflect the balances and activity for the Debt Retirement Fund. The 2008 financial information and balances have been reclassified to be consistent with the 2009 presentation for the Debt Retirement Account.